

China Starts 'Reshuffling' Leadership, Li Peng First

Hu Jintao, 55, Elevated To Vice President, Is Viewed as Man on Rise

By Erik Eckholm
New York Times Service

BEIJING — China's new leadership lineup was partly completed Monday as the National People's Congress confirmed Li Peng, prime minister for the last 10 years, as its next chairman.

The vote by the national legislature, which ratified a choice made in secret by Communist Party leaders, marks the continued survival near the top of a man many Chinese dislike because of his prominent role in the suppression of student demonstrations near Tiananmen Square in 1989.

There had been speculation here that Mr. Li might be embarrassed by significant numbers of "no" votes or abstentions from the nearly 3,000 delegates to the national legislature, who were all selected by the Communist Party. He received 89 percent of the votes cast — a poor showing by the historic standards of party-run elections, but not so bad as to weaken him seriously.

The halting followed weeks of vigorous lobbying behind closed doors by party officials eager to show a unified face to the nation and the world.

The congress also confirmed the selection of Hu Jintao as vice president, a possible measure to groom him for top jobs. At 55 the youngest member of the Politburo's seven-member Standing Committee, he has long been seen as a comer in the party and has enjoyed the patronage of President Jiang Zemin but does not have a sharp public image.

In the past, the position of vice president has mainly been seen as a ceremonial post, but senior officials are said to hope that his new post will give Mr. Hu more national and international visibility.

Trained as an engineer, he served as party chief in two provinces and is president of the Central Party School in Beijing, which trains party officials.

Approaching the end of its 15-day session, the National People's Congress formally re-elected Mr. Jiang as president of China and chairman of the central Military Commission. Mr. Jiang, who is also chief of the Communist Party, the core of his power, remains first on the country's leadership group.

On Tuesday, the Congress is expected to ratify Zhu Rongji, the guiding hand in economic policy in recent years, as the new prime minister. On Wednesday, the new slate of government ministers will be confirmed.

Mr. Li is believed to represent a more cautious and conservative strain among China's top leaders. He is stepping down as prime minister, a more powerful job than his new one, because he has "reached the legal limit of two terms. But remains officially ranked No. 2 in the hierarchy, the country's most powerful figure, perhaps setting the stage for conflict with the impatient, boldly assertive

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'Mystified,' Clinton Says Of Allegation By Willey



President Clinton responding Monday to allegations made by Kathleen Willey on CBS's "60 Minutes."

By Brian Knowlton
International Herald Tribune

WASHINGTON — President Bill Clinton, apparently fearful that dramatic new allegations against him could undercut the persistent public support he still enjoys, denied Monday that he had forced his sexual advances on a White House assistant who had come to ask him for help.

"I have said that nothing improper happened; I told the truth then, I told the truth in the deposition," Mr. Clinton told reporters during an appearance at a high school in Silver Spring, Maryland. "I am mystified and disappointed by this turn of events."

He spoke a day after the former White House employee, Kathleen Willey, 51, said during an appearance on

the CBS program "60 Minutes" that Mr. Clinton had kissed her, touched her breasts and placed her hand on his genitals. Asked if she thought he had lied under oath by denying such actions, she said, "Yes."

PAGE TWO Willey's Story, the Contradictions

The speed of Mr. Clinton's response, especially after his repeated protestations that he could not comment on the ongoing investigation, appeared to indicate serious White House concern about Mrs. Willey's appearance and whether it might finally puncture his buoyant public support, especially among women. While Mrs. Willey's charges had

been reported earlier, they were the first to deal with an alleged unwanted sexual overture by the president inside the White House — not when he was governor of Arkansas — in what the public would widely view as an abuse of power. Also, they came on the most popular public-affairs program on U.S. television, from a woman with no apparent reason not to tell the truth.

In contrast to Paula Jones, who has support from conservative groups in her sexual-misconduct suit against Mr. Clinton, Mrs. Willey is a longtime Democratic activist who has described herself as a friend of Mr. Clinton's.

Before Thursday, when Mrs. Willey testified before the grand jury investigating the case and made it

See CLINTON, Page 6

On Holocaust, Pope Urges 'Repentance' But Document Does Not Accept Church Role in Racist Theories

By Celestine Bohlen
New York Times Service

ROME — In a long-awaited document on the role of the Roman Catholic Church during the Holocaust, the Vatican on Monday called for an "act of repentance" for the failure of Catholics to stop the slaughter of Europe's Jews but skirted the issue of how much the church, its leaders and its teachings contributed to the vicious anti-Semitism of the Nazis.

The document, in preparation for 11 years, was greeted with cool appreciation and guarded disappointment by Jewish leaders, some of whom criticized the Vatican's failure to judge those Catholics who collaborated with the Nazis or those, including Pope Pius XII, who kept silent about Nazi atrocities.

"It is a very important statement, but it is disappointing in certain respects," said Rabbi David Rosen, director of the Israel office of the Anti-Defamation League, and its co-honorary with the Vatican. He noted that Catholic bishops' conferences in France, Germany, Hungary, Poland and other countries had gone further in acknowledging a deeper responsibility for the moral climate that allowed Nazism to dominate much of Catholic Europe.

Cardinal Edward Cassidy, head of the Vatican Commission on Religious Relations with the Jews, which produced the document, said the 14-page statement, written as a teaching document for the worldwide church, was "more than an apology."

"This is an act of repentance," he said at a Vatican press conference Monday morning.

"At the end of this millennium, the Catholic Church desires to express her deep sorrow for the failures of her sons and daughters in every age," the document itself said. "This is an act of repentance since as members of the church, we are linked to the sins as well as the merits of all her children."

The document carries an introductory letter from Pope John Paul II, who on the eve of the year 2000 has been leading the Catholic Church through "an examination of conscience," reviewing sins, crimes and errors that have been committed in its name through the centuries.

In his preface, the Pope, born in Poland, where as a young man living under Nazi occupation he witnessed the deportation of Jewish friends, colleagues and neighbors, referred to the Holocaust as an "unspeakable iniquity." He expressed a "fervent hope" that the Vatican document would "help to heal the wounds of past misunderstandings and injustices," committed by Christians, against Jews.

The document examines the "catastrophe" of the Holocaust, when Jews were persecuted and massacred "for the sole reason that they were Jews."

But it also examines the "tormented" history of Christian-Jewish relations, worsened by "erroneous and unjust interpretations of the New Testament," a phrase used last year by the Pope in addressing a Vatican-sponsored symposium on the origins of anti-Semitism.

"Despite the Christian preaching of love for all, even for one's enemies, the prevailing mentality down the centuries penalized minorities and those who were in any way 'different,'" the document states.

But to the dismay of some Jewish commentators, the document upheld the distinction, first made by the Pope himself last October, which holds that while the church in the past had helped foster religious prejudice against Jews, it bore

See CHURCH, Page 5

Do Sanctions Really Work? Debate Is On In Burma

By Thomas Crampin
International Herald Tribune

RANGOON — Burma's economy, squeezed for years by Western sanctions and weakened by the economic crisis affecting much of Asia, is in tatters.

Now, the ills afflicting Burma have in the last few months led the clique of generals who rule the country to acknowledge, uncharacteristically, that there are problems: the Burmese currency, the kyat, has plunged; inflation is rising; aid investment has declined.

This new openness in turn, has led some supporters of sanctions to question their continued usefulness.

"The economy is getting worse but the government is not shaking and it won't topple," said Ma Thanegi, a former member of the opposition National League for Democracy who was once an aide to the opposition leader and Nobel laureate Daw Aung San Suu Kyi. "Boycotts and sanctions will not work."

Since the military regime took over in 1988 and ignored the results of a 1990 election won by Daw Aung San Suu Kyi's National League for Democracy, Western governments have introduced a range of sanctions to pressure Rangoon into suppressing drug trafficking and making democratic reforms.

The country has lost access to most foreign aid. The European Union and the United States canceled the preferential tariffs often accorded developing nations. And last year, a U.S. ban on American companies making new investments in Burma went into effect.

Ma Thanegi, who like many league members in 1989 was sent to prison for a time, argues that such sanctions may

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A Shrunk and Rusty 'Nuclear Stick'

Economic Woes, Obsolescence and Treaties Slash Russia's Arsenal

By David Hoffman
Washington Post Service

MOSCOW — Russia's strategic forces, the vast phalanx of nuclear-armed submarines, bombers and intercontinental ballistic missiles built during the Cold War by the Soviet Union, are suffering a dramatic decline because of arms-control treaties, the Soviet breakup, looming obsolescence and Russia's economic depression.

Regardless of whether the United States and Russia move ahead on bilateral arms-control treaties, a decade from now Russia's forces will be less than one-tenth the size they were at the peak of Soviet power, according to estimates prepared in Russia and in the West. Ten years from now, if current

trends continue, Russia may have a strategic nuclear force just larger than that of China, and somewhat larger than those of Britain and France combined.

This slide has enormous implications for Russia and the West. For Russia, the decline has raised painful dilemmas about its place in the world, underscoring yet again the erosion of its superpower status.

At the same time, while the nuclear shield is shrinking, Russian leaders have decided to rely on the deterrent power of the nuclear weapons more than ever — to compensate for their even weaker and more chaotic conventional

forces. President Boris Yeltsin recently signed a new national security doctrine that enshrines this idea. Russia also has dropped its pledge not to be the first to use nuclear weapons.

"All we have is the nuclear stick," said Lev Volkov, a prominent Russian military strategist. "Of course, we should all together decrease this nuclear danger. But right now, we have nothing else. We're naked. Can you imagine that?"

Some Russian strategists are beginning to look for an exit from the arms-race mentality of the Cold War, a way that would preserve Russia's membership in the nuclear club, perhaps even its Great Power status, but without the enormous drag on its resources. One recent

See RUST, Page 6

Young Germans, Zeal Aids Far Behind Security

By William Drozdiak
Washington Post Service

ALLDORF, Germany — When a Platter and four friends decided at their jobs 25 years ago and set up own computer software company, were emboldened by the flourishing array of enterprises north of Stuttgart emerged from the ruins of war came to symbolize Germany's economic miracle.

He plucky medium-size companies, run by families and friends, took risks and the employees worked 12 hours. In this region renowned for tinkers and inventors, they often covered imaginative engineering solutions that quickly translated into booming profits.

Mr. Platter's company, SAP (for Systems Applications and Products), succeeded beyond his wildest dreams. It has blossomed into the world's fourth-

largest software maker, with 10,000 employees and annual sales of nearly \$4 billion. Half of the world's 500 leading companies depend on SAP's programs to manage their vital operations.

But as he surveys Germany's economic landscape these days, Mr. Platter, 54, wonders how his youthful counterparts lost their drive and entrepreneurial zeal. Germany's best and brightest graduates, he complains, no longer relish demanding careers but yearn only to become pliant civil servants with long vacations and lifetime job security.

"We need an entirely different approach toward life," Mr. Platter said at his company's headquarters. "People are paralyzed with their fear of change

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Dr. Spock, who taught how to rear children and led them against war.

Dr. Spock, Pediatrician to Millions, Dies

Writer of Baby Manual and Leader of Anti-Vietnam War Protests Was 94

By Bart Barnes
Washington Post Service

Dr. Benjamin Spock, 94, the pediatrician who wrote the definitive child-rearing manual for a generation of American parents and then, two decades later, led their grown children in the anti-war protests of the 1960s and early 1970s, died Sunday in San Diego.

Dr. Stephen Pauker, who had been Dr. Spock's physician for 12 years, said that he died with his family at home. Dr. Spock had suffered a heart attack, stroke and several bouts of pneumonia.

His book, "Baby and Child Care," had sold more than 43 million copies in the United States and other English-speaking nations when the fifth edition of the book was published in 1992. It has been translated into 38 languages and distributed in 31 foreign countries, and

more copies of it have been sold than of any other single American title.

Its publication in 1946 coincided with the beginning of the post-World War II baby boom and its influence was so universal that the generation of children reared after its publication was often known as the "Spock generation."

When they rebelled against authority and staged disruptive and violent protests against the war in Vietnam, several of their elders blamed Dr. Spock, who by then had become one of America's most celebrated anti-war protesters. Not only was Dr. Spock leading the protests, his critics complained, but he was also responsible for a permissiveness in the early child-rearing patterns of the young protesters that caused them to run amok in the first place.

Dr. Spock always insisted that his

views had been misinterpreted and that, in fact, he supported a firm disciplinary hand in the raising of children.

But it was also true that his methods represented a break with the prevailing wisdom that existed before the publication of "Baby and Child Care." Then, leading thinkers in the field of pediatrics struck an authoritarian pose and urged parents to follow a rigid schedule in the feeding and toilet training of their babies. Overt displays of affection were discouraged and hugs and kisses were considered inappropriate, as was permitting a baby to sit on a parent's lap.

Instead Dr. Spock urged: "Don't be afraid to love. Every baby needs to be smiled at, talked to, played with, fondled — gently and lovingly. You may hear

See DR. SPOCK, Page 6

AGENDA

The Dollar		
New York	Monday 4 P.M.	previous close
DM	1.8189	1.8178
Pound	1.688	1.6715
Yen	129.61	129.13
FF	6.0675	6.0665

The Dow		
Monday close	previous close	
+116.33	8718.85	8602.52
S&P 500		
change	Monday 4 P.M.	previous close
+10.68	1079.27	1068.59

U.K. Official Reaches Accord on Israel Visit

Robin Cook, the British foreign secretary, resolved a quarrel Monday with Israel on the eve of his visit there, in which he agreed to visit the new Jewish settlement of Har Homa in Jerusalem accompanied by Israeli officials rather than by Palestinian ones.

The visit to Har Homa is intended to underline European disapproval of Israeli settlement policy. Page 7.

THE AMERICAS

Now, Psychiatric Help for the Aged

ASIAN/PACIFIC

A Chinese Envoy, on Human Rights

Books

Opinion

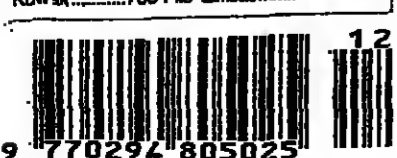
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THE AMERICAS

Long Neglected, Psychiatric Help for Older Americans Comes of Age

By Nadine Brozan
New York Times Service

NEW YORK — In 1905, when Sigmund Freud was 49, he declared that people over 50 could gain little from psychoanalysis.

"Near or above the age of 50, the elasticity of the mental processes on which treatment depends is, as a rule, lacking," he wrote. "Old people are no longer educable."

Today, however, when Freud's "talking cure" has been surpassed by drugs and other forms of therapy, a growing cadre of medical professionals is challenging the assumption that mental-health care is wasted on the old, and treating patients who are years, perhaps decades, beyond that half-century limit.

Experts say the shift results partly from effective new treatments for afflictions like depression, a common one among the elderly, and partly from surging demand. Americans are living longer. Life expectancy has grown by three decades in this century, to 76.1 in 1996, from

48.7 in 1905, when Freud made his declaration, and the proportion of the population 65 and over is expected to swell in the coming decades.

As their numbers and influence grow, older Americans and their families have become increasingly unwilling to accept mental-health problems as unavoidable consequences of aging, medical experts and advocates for the elderly say.

"If someone 96 comes to me and is depressed, my goal is to relieve that depression," said Dr. Elliot Stein, a geriatric psychiatrist in Miami Beach, a haven for retirees. "It doesn't matter to me how long they will live. Why be depressed?"

Why, indeed? That's what Lillian Morris, 75, figured when she felt herself slipping into an abyss of grief and anger after the death two years ago of her husband of 49 years.

"I needed to find myself as a person again," Mrs. Morris said, "and without some kind of intervention that is difficult to do." A grandmother who lives in New York, she was a school secretary for 28 years before retiring in 1991.

She began taking the anti-depressant Paxil shortly after her husband was found to have cancer three years ago. "I started taking it when I learned his condition was inoperable," she said, "and I didn't want to cry all the time and make him uncomfortable."

She also began seeing a psychiatrist at Memorial Sloan-Kettering Cancer Center and later went into therapy with Renee Solomon, a psychotherapist and professor of clinical social work practice at Columbia University.

"Medication alone couldn't bring me out of my grief," she said, "and unless I had someone to talk to, I knew I would never become a whole person by myself. Now, as I go further along in therapy, I feel as though I can give up the pills. Therapy is helping me to accept the past, and once I do that, I will be able to go on and build a life. Whatever time is left to me I want to live productively."

As help becomes more commonplace, the stigma once attached to it has dissipated, mental-health experts say. As a result, increasing num-

bers of practitioners are working under the geriatrics umbrella.

"When I started out in 1968, I felt a little like a leper because so few people were interested," said Dr. Sanford Finkel, founder of the American Association for Geriatric Psychiatry and a professor at the Northwestern University Medical School. He has worked successfully with patients older than 100, including one who was 106.

"There was great bias in the field against the elderly and toward young, attractive, verbal, sexual beings," Dr. Finkel said. "Alzheimer's and paranoia were not considered models of what we should be treating."

Markers of change are everywhere. The field of geriatric psychiatry reached a turning point in 1991 when it gained formal recognition as a subspecialty of psychiatry, and the American Board of Psychiatry and Neurology began administering examinations to certify geriatric specialists. By the end of last year, 2,360 psychiatrists were certified as geriatric specialists. Similarly, the American Psychological As-

sociation voted last month to recognize that clinical practice with older adults requires special expertise and skill within psychology, and it is exploring certification.

But experts fear that, despite progress, it may be too late to prepare for the coming explosion in the number of elderly people. According to the Bureau of the Census, there were nearly 34 million people 65 years or older in 1996, the last year for which data are available. By 2010, the total is expected to rise to more than 39 million.

In 20 years, one of every five Americans will be over 65, so we need a pipeline with geriatricians, geriatric social workers and nurses," said Dr. Robert Butler, founding chairman of the National Institute on Aging and chairman of the department of geriatrics at Mount Sinai School of Medicine, one of only three full-fledged departments in the United States' 126 medical schools.

"If we were to start under full pressure this moment," he said, "it would be a struggle to get adequate numbers and training in time for the baby boomers. They are the generation at risk."

Mexico Gets Chiapas Bill

Legislation Not Approved by Zapatista Rebels

By Mary Beth Sheridan
Los Angeles Times Service

MEXICO CITY — In an effort to break a yearlong impasse with the Zapatista rebels, the Mexican government has sent legislation to Congress that would provide greater rights for Indians in the state of Chiapas.

But it was unclear whether the move would propel Chiapas toward peace or war. The legislation was based on an agreement between the government and rebels reached two years ago. But after the accord was translated into a proposed law, the government insisted on several changes, provoking the wrath of the Zapatistas.

After attempting fruitlessly to persuade the rebels to accept the alterations, the government finally submitted its own version of the legislation to Congress.

"The nation demands a solution to the conflict in Chiapas," Interior Minister Francisco Labastida said Sunday

night, "and the federal government agrees with this demand."

The government appeared confident it would receive the votes of the two-thirds of the Congress necessary to pass the law. But many politicians and analysts said a resolution remained distant as long as the Zapatistas and government were not talking.

Rodolfo Stavenhagen, a sociologist and former adviser to the Zapatistas, said the problem was not so much in the content of the Indian-rights legislation but in the manner in which it was presented. He noted that the government had bypassed a congressional commission in charge of peace negotiations and had not received rebel support for the law.

The legislation would alter the constitution to allow Indian communities greater autonomy in choosing governmental representatives and using traditional forms of justice. It also guarantees respect for Indian culture in areas such as education.



A masked representative of the Zapatista rebels speaking to a visiting Portuguese writer, Jose Saramago, right, in Chiapas.

Verdict on Sergeant Major: No Room for Nuance

By Jane Gross
New York Times Service

FORT BELVOIR, Virginia — When military jurors here considered sexual misconduct charges against Sergeant Major Gene McKinney, they were caught in the same muddle that often complicates such harassment cases, whether civilian or military: whom to believe when a woman says one thing and a man says another.

Faced with conflicting testimony, little physical evidence, six accusers whose credibility was questioned and a defendant with an otherwise shining reputation, the jurors concluded they could not say beyond a reasonable doubt that there had been sexual misconduct. The eight jurors, four officers and four enlisted soldiers, exonerated Sergeant Major McKinney on 18 of 19 charges on Friday. They found him guilty of one count, obstruction of justice, that related to a telephone call in which he tried to persuade his chief accuser to let investigators that their conversations were only about professional development. Unknown to him, his accuser was cooperating with the prosecution and recording the call.

In keeping with practice in courts-martial, the jurors did not make themselves available for comment. Sergeant Major McKinney, 47, who was formerly the army's top enlisted man, faces a maximum sentence of five years in prison and a dishonorable discharge for the obstruction of justice conviction.

The sergeant major was on trial for many offenses that would not be crimes in the civilian world. But the Uniform Code of Military Justice sets higher standards of conduct to maintain an orderly fighting force and prevent abuses of power in a hierarchical system where men and women live and work together 24 hours a day.

The higher standard is necessary, legal experts generally agreed, because the

stakes are higher: life and death for the soldiers themselves and for the defense of the nation. But in cases like Sergeant Major McKinney's, where an unwanted kiss is considered assault and a provocative remark a solicitation of adultery, a court-martial may be too blunt an instrument for determining right and wrong, some legal scholars said.

"There are nuances to interpersonal relationships like these," said Eugene Fidell, president of the National Institute of Military Justice. "But the switch only has two positions: On and off. It may be a poor fit to use the criminal-justice system here."

Mr. Fidell pointed to what seemed at times a dissonance between the charges and the events in the McKinney case. Charge I, Specification 1, for example, was maltreatment of Staff Sergeant Christine Fetrow, for "repeatedly calling her and asking her to come for drinks to the hotel where he was staying."

Charge III, Specification 4, was indecent assault on Ms. Fetrow for "grabbing her waist, hugging her and kissing her face."

And Additional Charge I, assault and battery, is for touching Major Michelle Gunzelman "on her arm with his hand and then pulling her toward him."

Mr. Fidell said that, without trivializing the concept of sexual harassment, provoking outrage over an invitation for drinks or a hand-to-hand physical advance could be difficult, especially when a conviction can carry harsh consequences.

"On paper, you could jam those facts into those categories, yes," Mr. Fidell said. "But if the jurors think the categories have taken an artificial turn, they won't play. We haven't completely decoupled the notion of moral stigma from criminal law. And we are trying to use criminal law here to penalize conduct that society tells us has little if any stigma in the classic moral sense."

But in the context in which the charges were made against Sergeant Major McKinney, the army had little alternative but vigorous prosecution, Mr. Fidell and others said. There had been the debauchery of the U.S. Navy's Tailhook convention and the resulting scandal; the case of the bomber pilot Kelly Flinn, discharged after an adulterous relationship; and, most recently, the scandal of army drill sergeants' abusing young female recruits at the Aberdeen Proving Ground in Maryland. All eyes were on the Military District of Washington.

"As a practical matter, the army had no choice given where our society and the defense establishment were when the case unfolded," Mr. Fidell said. "If there was no trial, the army would still be on the defensive a year from now about whether it really cared about the interests of women in a coeducational workplace."

The Consequences

Dana Priest of The Washington Post reported: Five of the women who accused Sergeant Major

McKinney of sexual misconduct say that their lives have been severely damaged by the case and blamed the army for not protecting their reputations more aggressively or helping them out emotionally during the ordeal.

"What I sacrificed wasn't worth one guilty verdict," said Sergeant Christine Roy, who alleged that Sergeant Major McKinney coerced her into having sex when she was more than seven months pregnant.

"My complete lifestyle has changed," she said. "I used to be happy-go-lucky. Now I keep to myself."

Staff Sergeant Christine Fetrow, who was in the witness protection program, complained about not being able to spend Christmas with her family for fear of putting them in harm's way, of living in lonely hotel rooms for months, and of getting harassing e-mail from the lead defense attorney.

Johnna Vinson, a U.S. Navy petty officer, described how something she said in a conversation with a friend ended up in the McKinney trial. She said she believed that the conversation was a

"setup" to gain evidence for the defense. "The worst part of it," she said, is that "one by one my friends have pulled away."

Congress Lays Low, And the Public Likes It

WASHINGTON — Lawmakers often joke that Congress is never more popular than when in recess — but this year it is no joke. Recess is a strategy, and it seems to be working, at least for now.

After taking its longest non-election-year recess in three decades over the winter months, Congress is now embarked on one of its shortest sessions in memory, marked by abbreviated workweeks and long holiday breaks. Barely 50 full working days and a couple of dozen half-days remain before its scheduled adjournment in early October. And prospects for action on major bills are murky.

But the Republican-controlled Congress's popularity with voters, as measured by recent polls, is on the rise. It took a substantial leap shortly after lawmakers left for their long midwinter recess in November. A Wall Street Journal/NBC News poll this month showed 57 percent of Americans approved of the job that Congress is doing while 29 percent disapproved, its highest rating of this decade.

Republicans acknowledge that the nation's soaring economy and mellow political mood have contributed to high ratings. But they also contend that the balanced budget agreement last year and the surplus this year have given them a historic achievement that will define this Congress. (WP)

State Abortion Battles

As the United States continues its debate

over late-term abortions, four states moved last week toward banning the procedure.

In Florida, the Senate, following similar House action the week before, voted to override Governor Lawton Chiles's veto of a ban on a type of late-term abortion that opponents call a partial-birth abortion. Abortion-rights advocates vowed to challenge the ban in court.

One measure of the political heat in the abortion issue out in the states: The Florida override was the first for Mr. Chiles, a Democrat, in his seven-plus years in office.

In Virginia and West Virginia, the legislatures completed final action on bills that would ban the late-term procedure.

In both states, the governors indicated they would go along with the legislatures, and abortion-rights supporters vowed to go to court.

The Oklahoma House also passed a ban on the procedure. There was doubt in that state, however, that the Senate would vote the same way.

At least 20 state legislatures have passed abortion bans of some type, and most of those laws are under court attack. (NYT)

Quote/Unquote

Ralph Reed, the former executive director of the Christian Coalition and now a Republican political consultant, on the South, where Republican governors have been elected in all the once solidly Democratic states of the old Confederacy, except Georgia: "If the Republicans elect a governor in Georgia, I think the South is moving irrevocably and irreversibly toward being a one-party region." (NYT)

Away From Politics

Defense Secretary William Cohen told the army, navy and the air force that they could continue to mix the sexes in basic training, but should ensure they are housed in "separate areas, if not separate buildings." (AP)

A document dealer who sold papers he claimed proved that President John Kennedy had an affair with Marilyn Monroe was arrested on fraud charges. Lawrence Cusack provided the author Seymour Hersh with documents purportedly showing that Mr. Kennedy bought Miss Monroe's silence. (AP)

The parents of the world's first set of surviving septuplets need a bin of 120 diapers, are helped by 60 volunteers around the clock in Carlisle, Iowa, and make about 40 feeding bottles a day. No problem, they say. "People think it's chaos in here all the time, but really it isn't," said Bobbi McCaughey, 29, the mother. "It's not chaotic. It's busy." (AP)

Thursday

Trib Tech

Trib Tech explores and explains the breakthroughs that drive technological achievement in the Information Age, as they transform business strategies around the world and bring excitement and entertainment to daily life at home. Revolutionary ideas, fresh applications, hot new products, time-saving software, cutting-edge gadgets — you'll find out about it in Trib Tech.

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EUROPE

Jospin Happy That Vote Didn't Chastise the Left

In Some Regions, Le Pen's Party Is Arbiter

By Joseph Fitchett
International Herald Tribune

PARIS — Victory in voting for regional councils carried a hidden message of satisfaction for the Socialist-led government: the absence of voter backlash against the incumbent party of the sort that was starting to become automatic in French politics.

This hint of a cautious political gain for the Socialists was seized on Monday by Prime Minister Lionel Jospin in his only public comment on the outcome of Sunday's regional elections, which produced a dull campaign and a record abstention rate.

"I attach great significance to the fact that, for the first time in a long time, the electorate did not use the occasion of an intermediary election to deliver a sanction to the ruling party," Mr. Jospin said on radio Monday.

The final results showed that his coalition of Socialists, Communists and Greens won 36.5 percent of the popular vote, giving Mr. Jospin and his allies a slight edge over the 36 percent scored

by the conservative coalition of Gaullists and center-rightists. Splinter factions shared roughly 12 percent of the vote.

Jean-Marie Le Pen's National Front won 15.5 percent, a figure in line with its showing in most recent national ballots. That will give the Front enough seats to play a stronger political role in several regions, mainly in the south of France and in Alsace, commentators said.

In national terms, that outcome roughly maintains the awkward-looking but apparently workable political balance that has prevailed in France since parliamentary elections 10 months ago.

Even though the country seems ideologically on the right, the taboo against cooperation with the National Front means that power is wielded by the broad Socialist-led coalition.

The voting Sunday seemed to confirm that Mr. Jospin has been shrewd to shun confrontation with the trade unions and try to mitigate the pain of accepting market forces in the economy, even if it often costs the country time in making changes that many French people believe are inevitable.

Mr. Jospin must constantly look over his shoulder at President Jacques Chirac, a conservative, who has gained personal popularity in recent months as he has sought to cast himself as a national moderator, without seeking any initiative.

That power-sharing seems to suit Mr. Jospin's own cautious style, and the results of the regional elections suggested that neither Mr. Chirac nor Mr. Jospin can see any advantage in seeking to cut short this power-sharing arrangement until the next regular election in 2002.

The full political outcome of the regional voting will not be known until Friday, when the newly elected council members vote for presidents of their councils.

The presidents have considerable autonomy and powers of initiative in setting the agenda and channeling the increasingly substantial regional budgets.

The results seemed to give the Socialist-led coalition control of at least 12 of the 22 regional councils. Conservatives had run all but two of the councils for six years since the last election.

But this week will see feverish bargaining in some councils with no clear majority, and the Socialists may gain control of even more regions if local conservatives respect their leaders' orders against even tacit alliances with the National Front.

The Front did not win enough votes in any single region to gain control of a



CAMERA-SHY — An ethnic Albanian boy awaiting a meal Monday in the village of Tushilla, 50 kilometers west of the capital of Kosovo. His family fled their village after a Serbian police crackdown.

council, but they could provide enough extra votes to save several regions for the right.

But in the region including Provence-Alpes-Cote d'Azur, Mr. Le Pen's list garnered more than 30 percent of the vote and 37 seats, a larger bloc than that of the Socialists and its allies or the conservative coalition.

Faced with this proof that mainstream conservatives have been discredited in this region after a series of scandals, Francois Leotard, the leading center-right politician, announced late Monday that he would not run for the council's presidency — in effect, leaving open the door to a Socialist victory.

Similarly, other political gains, going beyond statistical victory, seem likely to be pocketed by the Socialists in the overall outcome.

The rich and highly symbolic Ile-de-France region, which includes Paris, will pass to Socialist control for the first time since the regional councils were

created in the mid-1980s. The outgoing council was tarred by widespread suspicions of corruption, and the issue was sufficiently salient for Finance Minister Dominique Strauss-Kahn, leading the Socialist ticket, to make a point of publicly disassociating himself last week from a former fellow Socialist minister, Roland Dumas, who is facing indictment proceedings.

The Ile-de-France battle involved two conservative heavyweights, Charles Pasqua, a former interior minister, and Edouard Balladur, a former prime minister, who was credited Monday by analysts with staving off an anti-conservative landslide in the capital itself.

With a dozen or more regional councils under their control, the Socialists are poised to complete their comeback as a national political machine that, for the moment, controls most local government as well as a narrow parliamentary majority.

BRIEFLY

No Accord in Italy Strike Talks

ROME — The Italian government and union leaders failed to reach an agreement Monday that would avoid a general strike over the issue of job creation in the country's depressed south.

After an inconclusive meeting, the two sides said they would hold further talks next week. Unions say the government has failed to carry out plans agreed to over the last two years. The strike would take place at the end of March.

The jobs issue could have implications for the government of Prime Minister Romano Prodi. He risks losing the support of the Refounded Communist Party, whose votes he needs for a majority in Parliament. (AP)

Another Murder in Maze Prison

BELFAST — Protestant leaders in Northern Ireland assailed Britain on Monday after a Protestant inmate was murdered in Maze prison.

The victim, David Keys, 26, had been charged with taking part in the murders of a Protestant and a Roman Catholic earlier this month. He was apparently killed by other Protestant prisoners. In December, prisoners killed Billy Wright, leader of the outlawed Loyalist Volunteer

Force, a militia that supports British rule. His death led to a wave of retaliatory sectarian shootings. (Reuters)

U.S. Envoy in Dublin Resigning

DUBLIN — Jean Kennedy Smith is stepping down as the American ambassador to Ireland this summer after five years in the post and returning to the United States.

Prime Minister Bertie Ahern saluted Mrs. Kennedy Smith on Monday, in particular praising her for helping to get a U.S. visa in 1994 for the Sinn Féin leader, Gerry Adams. Raymond Seitz, the former U.S. ambassador in London, recently accused Mrs. Kennedy Smith of being an "ardent apologist" for the IRA. (AP)

France Extradites ETA Suspect

MADRID — French authorities extradited a suspected member of the Basque separatist group ETA to Spain on Monday, the Spanish Interior Ministry said.

Jesus Maria Beaumont Barberena, 30, is suspected of having headed an ETA cell in the northern Navarra region from 1985 to 1987. Another Basque group, Gestoras Pro Amnistia, condemned the move, saying France "will be responsible for the radical response this deserves." (AFP)

Despite Kosovo's Turmoil, Macedonia Remains Calm

Neighbor Is Also Home to Many Albanians

By Christine Spolar
Washington Post Service

SKOPJE, Macedonia — Violence in the nearby Serbian province of Kosovo meant that hundreds of United Nations soldiers were looking for trouble to pour over the icy mountaintops here. But neither refugees nor armed smugglers braved the paths — whipped by wind and knee-deep in snow — that lead from Kosovo.

In fact, the mountains outside this capital were so peaceful last week that some of the UN soldiers, part of a preventive force, were allowed to go on leave. The rest of the 750 U.S. and Swedish soldiers here increased patrols, but no additional soldiers were needed.

"It's a very calm place," said Sergeant Peter Almroth of the Swedish Army, donning a bulletproof vest and helmet to climb an observation tower. "We keep hearing radio reports about possible refugees, but nobody's coming down those hills."

Macedonia is the outside region first expected to reverberate to the violence in Kosovo between Serbian troops and ethnic Albanians; some observers foresee a conflict possibly spreading from here to Greece and even Turkey. Since ethnic tensions simmer in this tiny country of 2.2 million people, no one is ever sure when or whose political calculations could upset an edgy equilibrium.

"The relationship between here and Kosovo is not immediate," a Western observer said. And the political situation here "is not anywhere near the polarization of Kosovo. But all that said, if the situation in Kosovo is allowed to deteriorate, polarization could develop here and be exploited."

Macedonia, a former republic of Yugoslavia, falls behind only Albania and Kosovo as a home for ethnic Albanians. Among its citizens, between a quarter and a third identify themselves as Albanian.

Tensions rise in this young democracy because of its ethnic mix and its neighborhood. The ethnic Albanian political elite here openly aspires to more political power. It also espouses support for neighboring Albanians. But how much the Macedonian Albanians in fact contribute to the plans and dreams of the Kosovo Albanians — whose political leadership wants an independent state — remains a Balkan riddle.

The Albanians of Macedonia have close emotional ties to Kosovo. Arben Xhaferi, leader of the radical Democratic Party of Albania, said his party supported economic and humanitarian aid, but shied away from the idea that arms are part of the aid package.

Mr. Xhaferi said he did not know if the Kosovo Liberation Army — the rebel group that apparently spurred a confrontation with Serbia — had links to Macedonia. But, he said, "As pressure grows higher, the emotional disposition of Albanians is more likely to support" the rebels.

There is plenty of illegal arms movement across borders, according to the local press, but no one has made a link between political parties here and in Kosovo. And no one has proven that Albanian rebels are behind the flow.

Last year, Macedonian Army and police forces reportedly seized 3,000 automatic weapons from Albanians who tried to enter the country illegally, according to the daily newspaper Dnevnik.

There are clear differences between the political landscapes of Kosovo and Macedonia. In Kosovo, the Albanians — who account for 90 percent of the population — boycott all government institutions and elections to protest what they see as tyrannical Serbian control.

In Macedonia, the Albanians have political parties, regularly participate in elections, account for a sixth of all seats in Parliament and hold five government ministries.

But Albanians in Macedonia are a minority and have yet to wrest their fair share from the ruling class.

By anyone's count, they are underrepresented in daily government. Albanians represent no more than 3 percent of all police forces and no more than 5 percent of all government positions.

In the last four years, the Albanian community has formed a private university — unrecognized by the state — to prepare its youth to teach and lead.

U.S. Warns Milosevic

With a deadline three days away, the United States said Monday that there was still no sign that the Yugoslav president, Slobodan Milosevic, was complying with major power demands of Kosovo and that more sanctions against his country were likely, Reuters reported from Washington.

"There is no sign he is reversing course," the State Department spokesman, James Rubin, said of Mr. Milosevic.

He added that the first item major power foreign ministers would discuss at a meeting on Kosovo on March 25 would be a freeze on Yugoslav assets.

Mr. Rubin confirmed that Secretary of State Madeleine Albright would preside over the meeting of the foreign ministers, representing the Contact Group countries that oversee peace efforts in Bosnia — the United States, France, Britain, Germany, Italy and Russia.

CHURCH:

Act of 'Repentance'

Continued from Page 1

no responsibility for the racial theories that guided Nazism.

"We cannot ignore the difference which exists between anti-Semitism, based on theories contrary to the constant teaching of the church on the unity of the human race and on the equal dignity of all races and peoples, and the long-standing sentiments of mistrust and hostility that we call anti-Judaism, of which, unfortunately, Christians also have been guilty," the document said.

The German Catholic bishops, in a statement on the Holocaust issued in 1995, spoke of the church's "co-responsibility" for the tragedy, echoing a phrase used by German Protestants soon after the end of World War II. Last year, the French bishops conference asked the Jewish people for forgiveness for the church's failure to defend them during the Nazi occupation of France.

Several Jewish commentators Monday were critical of the "Vatican" document for failing to produce a similar accounting of the Rome-based church's record during the Nazi era, and for offering a vigorous defense of Pope Pius XII, a figure who has become the historical lightning rod for debates about the church and the Holocaust.

The document ignores the frequent accusations made against Pius XII, dwelling instead in a lengthy footnote on dated recollections from the many Jews who were saved in Catholic churches, monasteries and convents during the war, and on the words of praise for the wartime pope issued by Jewish leaders.

"There are positive elements to the document," said Elan Steinberg, executive director of the World Jewish Congress. "But there are also problems — the gratuitous defense of the silence of Pius XII, and the failure to discuss the role of the church as an institution."

The document does speak of the widespread failure of leaders and governments throughout the Western world, "including North and South America," to recognize the scope of the catastrophe that had befallen the Jews, and to save them.

"The closing of borders to Jewish emigration in those circumstances, whether due to anti-Jewish hostility or suspicion, political cowardice or shortsightedness, or national selfishness, lays a heavy burden of conscience on the authorities in question," the document said.

Schroeder Bids For Labor Vote In His Program

By John Schmid
International Herald Tribune

FRANKFURT — Eager to preserve their lead in opinion polls, Germany's opposition Social Democrats endorsed an election program Monday that courts labor and avoids any mention of the sacrifices that the nation is likely to face after the election Sept. 27.

Strategists for Chancellor Helmut Kohl, meanwhile, announced a shakeup in his re-election team. Mr. Kohl relinquished his role as chairman of the Christian Democratic election platform commission and handed the job to Wolfgang Schauble, his popular parliamentary faction leader and eventual successor.

Mr. Kohl, who remains party chairman, ignored calls that he step down and allow Mr. Schauble to become the party's new standard bearer. Mr. Kohl remains the "Number One," said the party's general secretary, Peter Hintze, refuting a report in Der Spiegel news-magazine that the party already entertains "concrete scenarios" for an eventual Schauble transition.

Gerhard Schroeder, the Social Democrat's candidate to challenge Mr. Kohl, hailed his party's 35-page manifesto as "the most decisively market-oriented ever presented by the SPD." Speaking after a meeting of the party's 13-member national board, Mr. Schroeder said, "It is clear we are ready to take risks and embrace new technology."

German business leaders and economists have criticized Mr. Schroeder's platform because it would repeal economic reforms launched by Mr. Kohl and because some of its pro-business positions are considered to be merely rhetorical.

Painful economic reforms are inevitable for the next Bonn government, political analysts argue, because of the dual competitive pressures stemming from globalization and the new European currency.

Mr. Kohl has been open about the necessity for change, but Mr. Schroeder so far has been vague.

In an appeal to big labor, Mr. Schroeder's document calls for the revival of consensus-building discussions with unions, industry and government to search for a solution to the nation's record unemployment.

It omits discussion of what such solutions could entail.

GERMANY: For the Young, Entrepreneurial Zeal Trails Security

Continued from Page 1

in Germany. Nobody dares to take any risks. Unless we find a way to encourage greater initiative, we are heading for a lot of trouble in the 21st century."

As Germany heads toward national elections this September, Chancellor Helmut Kohl and his Social Democratic challenger, Gerhard Schroeder, insist that the country must establish a culture of self-reliance to adapt to modern challenges wrought by global markets and the information revolution.

But both men are reluctant to tamper with the womb-to-tomb security that German voters cherish. While the two profess a desire to lower taxes and reward private initiative, their actions speak differently. Mr. Kohl has raised taxes 14 times during his 16 years in power, while Mr. Schroeder recently approved \$500 million in public funds to rescue a failing steel company in his state of Lower Saxony.

Mr. Plattner and other business leaders complain that the state sector — which accounts for more than half of the economy — has extinguished much of the nation's competitive fire and fostered leviathan companies that are likely to become dinosaurs in the fast-moving world of high technology.

"People often leave university when they are in their 30s," Mr. Plattner said. "At that age, you are too old and conservative to take risks with your life."

"You do not want to take a chance with failure because in Germany, unlike in the United States, there are rarely any second chances. What's driving the success of the United States are new, young entrepreneurs. But you won't find them in Germany."

Despite their wealth, high educational standards and a respected tradition of scientific research, Germans have been slow to embrace the computer culture. The United States has twice as many personal computers per capita and 10 times the volume of e-mail as Germany, according to the Intel Corp. chairman, Andrew Grove.

German banks are notoriously reluctant to finance the dreams of the few young Germans who wish to emulate Microsoft Corp.'s chairman, Bill Gates. Venture capital remains woefully scarce: In 1996, a bit more than \$380 million was invested in start-up companies in Germany while nearly \$10 billion in venture capital was poured into the U.S. economy, according to a Price Waterhouse LLP survey.

Twenty years ago, every fifth person in Germany ran his or her own business; today, only 9 percent of the German work force is self-employed. And only 10 percent of new college graduates want to start a business, a recent poll of major universities showed, while more than 50 percent want to work for the state.

"The world has changed, yet people in Germany want to cling to the status quo," said Horst Siebert, head of the Institute of World Economics in Kiel.

Business and educational leaders warn that two other factors are damaging Germany's efforts to remain prominent in the global economy: an aversion to information technology plus laws that regulate almost every aspect of work.

"This fear of the digital age is becoming a serious liability for the economy," said Jorg Meeno Harns, chairman of Germany's association of technology companies. "We can't even

come close to finding enough people who are willing and able to perform jobs in the computer sector."

The government has only compounded the problem with its regulations. Mr. Harns said. Parliament approved a law last month requiring "information technicians" to complete three years of formal training, plus three years of on-the-job experience, before they qualify to set up a company or take over a business.

The unwelcoming investment climate compels many leading German companies to secure their future prosperity elsewhere. In the last year, nearly \$3 billion in net investments flowed out of the country.

Instead of supporting innovative industries that create jobs, Germany lavishes billions of dollars annually on state subsidies to protect such antiquated sectors as coal and steel. Since German coal costs three times as much to extract as it does in places such as South Africa or the United States, the state pays \$85,000 a year just to preserve each of the 70,000 German coal-mining jobs.

But those subsidies have not stopped unemployment from climbing past 12 percent, with nearly 5 million people out of work, a level not seen in Germany since Hitler rose to power in 1933. While many Germans acknowledge the need for reforms, they also expect the government to insulate them from the harsh effects of globalization by sustaining jobs in outmoded industries and funding the generous welfare state.

Mr. Plattner, the software maker, says this mentality poses the most serious threat to Germany's future. "We do not have much time to turn things around," he said. "The world is moving faster with all kinds of new technology."

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THE WORLD'S DAILY NEWSPAPER

INTERNATIONAL

Iran Tightens the Reins On Iraqi Oil Smuggling

By Robin Wright
Los Angeles Times Service

WASHINGTON — In a major break in U.S. efforts to close loopholes in the economic embargo of Iraq, Iran has begun a crackdown on sanctions-breaking oil shipments that have earned Saddam Hussein's government hundreds of millions of dollars over the past two years.

The move is widely interpreted in Washington as a positive political gesture by Tehran to the United States, according to senior U.S. officials and regional experts.

"In terms of global oil markets, the amount is too small to make much difference in price, so the motive and real significance have to be political," said Vahan Zanoian, an oil analyst and president of Petroleum Finance Co. in Washington. "It's clearly a gesture to show goodwill to the United States."

Tehran's crackdown on what has been the fastest-growing loophole in the economic embargo deals a direct blow to the Iraqi president because the traffic is run by his son, Uday, largely for the benefit of the Hussein family and inner circle, Clinton administration sources say.

Illegal oil shipments, which reached significant levels in 1996, recently soared to an estimated 100,000 barrels a day, generating up to \$600,000 daily for Mr. Hussein's government after bribes and price discounts, according to James Placke, a former U.S. diplomat in Iraq now with Cambridge Energy Research Associates.

Iran's crackdown began in mid-February. Since early March, it has cut off more than half of Iraq's illicit oil trade, U.S. officials say. It was begun at the same time Baghdad was being pressured to cooperate with UN weapons inspectors — and may have played a significant role in tightening the squeeze on Iraq.

Iran has been able to restrict the flow of petroleum because most ships that have carried Iraqi oil have used forged Iranian papers and passed through Iranian waters, bugging Iran's coastline, U.S. officials say. When the way was clear, the oil-laden ships then sailed into ports of the United Arab Emirates to sell or barter their cargo.

The Iraqi operation was so effective that only about 5 percent of the illicit oil shipments was intercepted by the U.S.-led multinational interdiction force deployed in the Gulf after Iraq's 1990 invasion of Kuwait led the United Nations to impose the world's toughest economic embargo.

Iranian National Oil Co. denied that it was involved in smuggling Iraqi oil. U.S. officials and oil analysts say corrupt Iranian officials were responsible for aiding the Iraqi operation.

The illegal oil trade epitomized Iraq's often ingenious schemes to defy UN sanctions. It also became the most important source of income for Baghdad to buy equipment to secretly continue developing weapons of mass destruction, U.S. officials say.

Under a UN "oil-for-food" program, Iraq has been allowed since 1996 to sell \$2 billion worth of oil every six months to pay for humanitarian goods. But under a new resolution passed last month, the sales will more than double, to \$5.25 billion every six months.



Hu Jintao returning the applause Monday in Beijing as he was being elected vice president of China.

CHINA: People's Congress Confirms Prime Minister in New Post

Continued from Page 1

Mr. Zhu, who will run the government but is ranked third in the party.

As the reshuffled leadership takes over, Chinese and foreign observers are wondering about the possible effect on the National People's Congress and its evolving role. As the new chairman of the standing committee of the legislative body, Mr. Li is replacing Qiao Shi, who was pushed from high office during an autumn party meeting.

The congress is often called a rubber stamp for party decisions, and it remains largely that. But under Mr. Qiao, it had become more assertive, helping to shape laws and monitoring how they were implemented around the country. In recent years, sizable minorities of delegates have also made protest votes to register unhappiness with the government's response to crime, for example, or to express opposition to the costly, giant Three Gorges Dam on the Yangtze.

The question is whether, under the more conservative Mr. Li, the congress

may cease to be a force for spreading the rule of law. But some analysts point out that Mr. Li will now see the congress as his own base of power.

"He wouldn't be the first person to move there and start to become a born-again fan of legislative autonomy," said Murray Scot Tanner, a political scientist at Western Michigan University who has studied the National People's Congress. "If Li Peng is to have a bureaucracy to support him on policy issues, it will be the N.P.C.'s bureaucracy."

Curiously, the liberal No. 2 at the congress, Tian Jiyun, the first deputy chairman, will stay on in that influential job. He was allied with Mr. Qiao and before that with Zhao Ziyang, the former Communist Party head who was removed in 1989 when he expressed too much sympathy for the pro-democracy students.

Mr. Zhao remains under house arrest and Mr. Tian is a rare former associate now in high office, including, in his case, a spot in the Politburo.

Mr. Tian, even more than Mr. Qiao,

has pushed the idea that the way for the party to save itself is to become a party of law, with a more assertive legislature and greater oversight of the government, Mr. Tanner said.

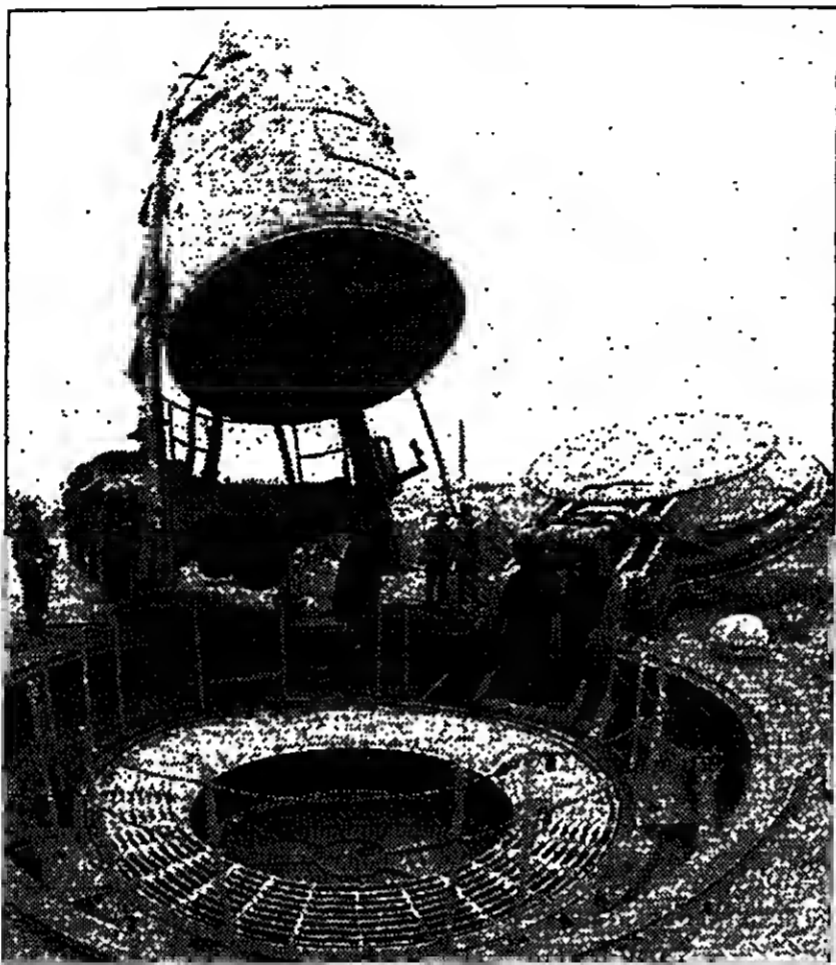
Mr. Li and Mr. Tian have been acrimonious rivals in the past and how they can get along in the congress is unclear. But Mr. Li has secured the appointment of one of his followers, He Chunlin, to the key post of secretary-general of the congress, the person who directly supervises its expanding professional staff.

Despite the differences in emphasis among these various senior leaders, none have questioned the central role of the Communist Party in ruling China. For some, like Mr. Tian, have put more emphasis on fostering more open discussion and choice.

A major emphasis of the reform wing, too, has been using provincial and national legislators to monitor the performance of the government, especially at local levels where corruption is a serious problem and laws often are ignored.

RUST: As Its Nuclear Arsenal WITHERS AWAY, Russia Gropes for New Role as Superpower

Continued from Page 1



A strategic nuclear missile silo being opened for inspection by rocket forces at a site about 70 kilometers from Saratov in southeastern Russia.

proposal is for Russia simply to abandon the bilateral arms-control process with the United States and go its own way with a small, independent nuclear force.

In the West, too, the decline of Russia's strategic forces could have serious repercussions, raising questions about the size and posture of U.S. forces. Some see it as a chance for the United States to pursue still-deeper cuts in nuclear weapons, including a new strategic arms agreement, that would keep Washington and Moscow at approximate balance.

"Locking in" the lower Russian levels with formal treaties.

Only a decade ago, when the Soviet arsenal hit its peak, the Pentagon warned that a parade of new weapons systems was being deployed, including the SS-18 Satan missile, the super-sonic Blackjack bomber, and the giant Typhoon ballistic missile submarine.

Today, that momentum has stopped. The Typhoons, Satans and Blackjacks are doomed. Russia, the sole heir of the Soviet nuclear forces, still has thousands of warheads. But the mechanical leviathans needed to carry them are deteriorating.

The Russian landscape is littered with stark evidence of this decline. At Russia's Northern and Far Eastern ports, nuclear-powered submarines are piling up in watery junkyards. The largest group of Blackjack bombers is rusting away in Ukraine. Even the core of the Russian strategic deterrent, the missile force, is expected to shrink dramatically in the years ahead.

According to the estimates, Russia's nuclear forces are shrinking even faster than the START-2 treaty will require. The treaty, which called for both sides to have between 3,500 and 3,000 warheads, was signed five years ago but has yet to be ratified by the lower house of the Russian Parliament, the State Duma.

Even more striking, Russian and Western specialists now estimate that, if the economy remains flat, Russia probably cannot even sustain the level of nuclear weapons envisioned just a year ago for a follow-on treaty, START-3. In a meeting in Helsinki last March, President Bill Clinton and Mr. Yeltsin set the target for this treaty as 2,000 to 2,500 warheads on each side. Both treaties would be implemented by 2007 but warheads would be deactivated by 2003.

More likely, Russian and Western specialists said, Russia will wind up with an arsenal of 1,000 to 1,500 warheads a decade from now. However, it could fall to half that if the economy does not recover. That would put Russia in a league with China, which is estimated to have 400 warheads today — or roughly equivalent to the total held by Britain, with 260, and France, with 440.

Mr. Volkov recently estimated that even with robust economic growth, Russia will have only 700 warheads a decade from now. Sergei Korotkov, a top Kremlin defense aide, has written that "with a lot of effort" Russia might reach 1,000 warheads by 2015. By contrast, according to the Natural Resources Defense Council in Washington, the Soviet Union in 1990 had 10,779 strategic nuclear warheads.

Of Russia's strategic triad, nineteen Blackjack bombers were parked in Ukraine, where they remain. According to Jane's Intelligence Review, the planes have practically lost their combat value. Russia has only six Blackjacks, built in 1991, but a Russian military source said only four of them were combat-ready.

Russia's submarine fleet is the least vulnerable leg of the strategic triad — while the submarines are hidden under the ocean. But the navy is also in trouble. A.D. Baker 3d, editor of *Combat Fleets of the World*, said that at the present rate of decline, Russia's strategic-missile submarine fleet "will be virtually extinct within a decade."

Of 62 strategic submarines deployed by the Soviet Union in 1990, the navy currently has only 28, and by some recent reports, as few as 23 are operational. At the peak of the Cold War, 20 to 22 submarines were at sea. Today, there are usually two, and they do not go far.

One of the fearsome symbols of Soviet power was the Typhoon, the largest submarine ever built. The six Typhoons completed between 1980 and 1989 could, in the event of a nuclear attack, send 1,200 nuclear warheads aloft. But today only half the Typhoons are working. Three of the huge boats have been taken out of service. A new missile planned for them has yet to materialize, and it is unclear whether they will ever sail again.

In addition to preserving its strategic submarine fleet, the navy is facing other pressing financial obligations. One of the most persistent headaches is that the submarines must undergo an overhaul every seven or eight years. For lack of financing for these repairs, many vessels are being retired early. So far, 152 submarines have been retired officially and more are unofficially in line to be retired.

A huge backlog of nuclear-powered vessels awaiting dismantling is building up in the Northern and Far Eastern ports, which environmentalists have warned has the potential for a disaster similar to that at the Chernobyl nuclear power plant in 1986.

The core of Russian strategic forces is the land-based, continent-spanning missiles. But the clock is ticking for them, too. Most of the missiles built in the 1970s and '80s are due to be retired or decommissioned if the START-2 treaty is ratified. This includes the 10-warhead "heavy" missile, the SS-18, which embodied the destabilizing threat of multiple-warhead missiles. Russia's force of SS-19 six-warhead missiles would also be reduced, and fixed with only one warhead each.

If START-2 is not ratified, the Russian missile forces will nevertheless hit a brick wall of obsolescence in the next decade. General Vladimir Yakovlev, chief of the strategic rocket force, said recently that 62 percent of Russia's missiles are already beyond their guaranteed service life.

CLINTON: He Is 'Mystified'

Continued from Page 1

known she was cooperating with the independent counsel, Kenneth Starr, she had seemed reluctant to talk.

"She certainly can't be described as being part of a right-wing conspiracy," said the Senate majority leader, Trent Lott of Mississippi. He said the truth about the Willey meeting might never be known, but added "This is very serious."

Senator Orrin Hatch of Utah, a conservative Republican who is chairman of the Judiciary Committee, said on CNN that if Mrs. Willey's charges were true, "I think this presidency will be over."

The House speaker, Representative Newt Gingrich of Georgia, was more cautious. He called Mrs. Willey's account "a very sobering story," adding, "There clearly are credible witnesses who have to at least be given a chance to have their story examined."

The Senate minority leader, Tam Daschle of South Dakota, seemed perplexed by Mrs. Willey's comments. "I have no idea how damaging it is," he said Monday. "The president has made it pretty clear this is not his recollection of what happened."

There was one early sign of a potentially crucial defection from Mr. Clinton's deep support among women when Patricia Ireland, president of the National Organization for Women, said Monday: "Perhaps we need to redefine what a good president is, what a good man is. This is beyond the idea of the likable rogue or the womanizer and really on into sexual assault, sexual abuse."

The White House sought Monday to discount Mrs. Willey's account, but her history of friendship with Mr. Clinton, her Democratic Party credentials and seemingly sincere demeanor on the CBS program made that a delicate task.

"She sounded credible," the former Clinton aide George Stephanopoulos said on ABC. By being seen to attack her, he added, "the White House is engaged in a very perilous game."

A White House spokeswoman, Ann Lewis, said Mrs. Willey's comments were "contradicted" by the former White House volunteer's subsequent actions and positive attitude toward Mr. Clinton.

"In 1996, when she was no longer associated with the president or the White House, she came to see me and said, 'I really want to work in this campaign,'" Ms. Lewis said on NBC. "There was such a contradiction between what I saw and heard last night and the person I met with in 1996."

Mr. Clinton said in his deposition Jan. 17 in the Jones case that he embraced Mrs. Willey and may have kissed her forehead in trying to comfort her. A volunteer at the time, she went to his office seeking a paid job at a time when her husband faced serious legal and financial problems. Unaware of the White House meeting, Mrs. Willey committed suicide later that day.

The president, asked by a reporter how both his and Mrs. Willey's versions of a meeting in November 1993 could be true, replied, "You'll have to find the answer to that riddle yourself."

Mr. Clinton said that he had not watched the "60 Minutes" program. His spokesman, Michael McCurry, said earlier, "He was there and he knows what the truth is."

Mr. Clinton said he stood by his deposition, in which he denied having kissed Mrs. Willey on the lips, placed a hand on her breasts or placed her hand on his genitals. His private attorney, Robert Bennett, said the president was "bewildered" by Mrs. Willey's charges.

BURMA: Some Dissidents Question Usefulness of Sanctions

Continued from Page 1

and up impeding change. "If there were no sanctions, responsible companies could come in with their financial clout and knowledge to change things," she said in an interview. "You have to be realistic. With the government now looking for ways out of this crisis, it is exactly the time they need good advice and expertise."

But the executive committee of the National League for Democracy still supports sanctions unanimously, said U Tin Oo, the party's deputy chairman. "If investment comes in, all the wealth will go to the generals," said U Tin Oo. "The majority of Burmese people are farmers, so they are not affected by sanctions."

"Because of her change of heart, Ma Thaneji has been called a turncoat to the party she still supports, but among activists in Burma she is not alone."

"Sanctions are keeping out opportunity," said a former student activist in Rangoon who now works for an international corporation and spoke on condition of anonymity.

"Foreign investment brings contacts with the outside world, ideas and it can also be quite subversive," she said.

"The office of every Western business uses a fax machine and e-mail," she said. These can be "powerful tools" in a country where the state strictly controls communications.

Ronald Morris, general manager of Britain's Premier Oil PLC, a major shareholder in Burma's Yetagun gas pipeline project, echoed that, saying, "International corporations bring the

technology and value systems of their home countries."

More than just building pipelines, Mr. Morris said, "We import into developing countries state-of-the-art communications technology along with a microculture of the democratic and free society we come from."

To hear the Burmese government tell it, the U.S. ban on investment has backfired.

"The adverse effects are being felt more by the United States, because we have lots of raw material and are rich with natural resources," a cabinet minister, Brigadier General Maung Maung, said in an interview.

Unlike South Africa, which lost precious foreign investment to sanctions, Burma had only just begun to emerge from decades of when sanctions began to be imposed.

For more than two decades until 1988, the dictatorship of General Ne Win led the country along the Burmese path to socialism, a xenophobic nationalism that severed most ties to the outside world.

Once the world's largest rice exporter, Burma had enough fertile land to feed itself without any trade and the government made it clear that foreign ideas were unwelcome.

Since the 1990 election, the politics of Burma have frozen: The National League for Democracy insists it should rule Burma, while the military government continues to consolidate its control over the country.

Political change will come, the generals insist, once economic growth takes place. The National League for Democracy, in contrast, says growth should

occur only after political change.

"Unless we resolve the problems of the 1990 elections nobody should invest their money here and nobody should come as a tourist," said U Tin Oo. "Sanctions should stay in place and there should be no economic development until the political issues are solved."

It is hard to measure the direct economic impact of the U.S. investment ban. Apart from some natural gas ventures and a few high-profile manufacturers, the country had not attracted many U.S. businesses. For one thing, Burma's consumers earn on average less than \$300 per year and pay with a currency that is not easily convertible.

More damaging to the economy than the actual sanctions, analysts say, are parallel efforts, such as laws that several American cities and Massachusetts have passed barring purchases from companies doing business in Burma.

Massachusetts, for instance, recently sent letters warning companies in Rangoon that they cannot bid for state contracts.

Fear that such letters are a precursor to protests has prompted European and American companies to withdraw or to conceal their presence here.

In the months before the United States passed its investment ban, investment in Burma originating from offshore corporate havens like the British Virgin Islands soared, and obscure appellations replaced familiar company names.

Many businesses operating in Burma have scaled back operations to minimize publicity.



A trishaw driver in Pegu, Burma, reading a newspaper and having a smoke as tough economic times keep him idle.

"There used to be a ritual photograph with ministers and businessmen in The New Light of Myanmar newspaper whenever a deal was struck," one diplomat in Rangoon said. "Now fear of retribution from activists has forced people to hide what they are doing here. It makes it much harder to figure out what is really going on here."

For all the anxiety the activists create, the strongest brakes now being applied to Burma's economy come from the economic crisis in East Asia.

About half of Burma's foreign investment and trade come from its Southeast Asian neighbors, which have seen the value of their currencies against the U.S. dollar plummet since July. The plunges have meant that Southeast Asian companies that had opened branches here have had to pull out.

DR. SPOCK: Pediatrician to Millions Worldwide and Foe of Vietnam War Dies at 94

Continued from Page 1

people say that you have to get your baby strictly regulated in his feeding, sleeping, bowel movements and other habits — but don't believe this. He doesn't have to be sternly trained. Be natural and comfortable and enjoy your baby."

"Tall and lanky with a deep, booming voice, Dr. Spock soon became a surrogate pediatrician to millions and his book, which initially sold at the rate of a million copies a year, made his name a household word throughout America. It also increased his annual income substantially, by \$25,000 to \$60,000 between 1950 and 1970, later up to \$150,000.

He began every edition with this advice: "Trust yourself. You know more than you think you do." He avoided medical jargon, writing in a straightforward, down-to-earth manner that young parents found reassuring and easy to understand.

His own mother, upon reading the book for the first time, commented, "Why, Benny, it's quite sensible."

In the ensuing half century, the book was revised several times and included

new or expanded sections dealing with the roles of fathers in pregnancy and childbirth, divorce and single parenting, teenage pregnancy and new medical information about the likes of milk, eggs, orange juice and aspirin.

Responding to attacks by feminists that he was an oppressor of women, Dr. Spock revised his 1976 edition to play down traditional boys' and girls' sex roles while re-emphasizing the household and parental responsibilities of fathers.

In a "Divorce, Single Parents, and Stepparents" section, which he added to the 40th anniversary edition in 1985, Dr. Spock warned that mothers who gain custody of children would find the early post-divorce period difficult. The children, he said, would be "more tense, demanding, and complaining...and simply less attractive."

But the basic thrust of "Baby and Child Care" never changed, and when critics complained that Dr. Spock had failed to update the book sufficiently to keep abreast of new developments, he answered simply that he got it right the first time.

Not until he was in his late 50s did Dr. Spock become a political activist. He

became deeply disturbed by the United States' resumption of nuclear testing in the atmosphere in 1962, and on a spring Saturday in Cleveland he joined a demonstration in support of nuclear disarmament. "It was like a bad dream of being outside without any clothes on," he said later.

Over the next few years, Dr. Spock lost most of his inhibitions about taking part in protest demonstrations and became one of the early opponents of U.S. involvement in the war in Vietnam.

"What is the use of physicians like myself trying to help parents to bring up children who are healthy and happy, to have them killed in such numbers for a cause that is ignoble?" he said.

As the war in Vietnam intensified in the late 1960s, so did Dr. Spock's participation in anti-war protests.

In 1968 he was convicted with three others in a highly publicized trial in Boston of illegally conspiring to aid and abet resistance to the draft. He told the jury that he considered the war "intally illegal, immoral, unwinnable and detrimental to the best interests of the United States" and he said he felt justified in opposing orders from a government that

"constituted crimes against humanity." He was sentenced to two years in prison, but a federal court of appeals overturned the conviction a year later.

Benjamin McLane Spock was born May 2, 1903, in New Haven, Connecticut, the eldest of six children of Benjamin Ives Spock, for many years general counsel of the New Haven Railroad, and Mildred Stoughton Spock.

In later years, Dr. Spock would always recall them as devoted parents who nevertheless followed a stern and puritanical course in the raising of their children.

As a child, Dr. Spock attended private schools in New Haven, then went to Andover and to Yale, where he rowed on the varsity crew that won a gold medal in the 1924 Olympics in Paris.

He had initially planned to be an architect, but he changed his mind after working as a counselor at a camp for crippled children one summer while he was a student at Yale.

"I watched the orthopedic surgeon working with the children who had had polio. I realized how much he was helping them, and I decided that I wanted to be a doctor."

British Fore

By Serge Schmemmann
Los Angeles Times Service

JERUSALEM — Israel and the United Nations have resolved a dispute Monday over the site of a new Jewish neighborhood in East Jerusalem by agreeing to refer the matter to the International Court of Justice.

The move would go to Har Homa with the UN officials, not Palestinians. The UN will visit the site in Jerusalem at the start of the week. The Israeli cabinet, led by Prime Minister Benjamin Netanyahu, has approved the plan.

Mr. Netanyahu's move was seen as a major step in the peace process. It was a sign that the Israeli government was willing to accept the UN's role in resolving the dispute.

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British Foreign Secretary Compromises on Israel Visit

Mr. Cook arrived in Cairo on Monday on the first stop of a three-day tour of the Middle East as representative of the European Union, whose rotating chairmanship is currently held by Britain. From the outset he had announced that he intended to visit Har Homa, a hill known to Arabs as Jamal Abu Gh-

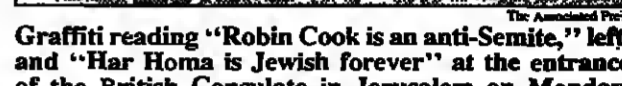
"This resolves it, although I'm still puzzled by his choice," Mr. Bar-Ilan said. "This is his first action in his capacity as foreign secretary on his first visit to Jerusalem. Obviously we'd prefer that he visit Yad Vashem or the Western Wall."

ish neighborhood on Har Homa effectively put an end to the Israeli-Palestinian process toward a peace agreement. Despite widespread international condemnation of the Har Homa project as an act of bad faith and a provocation, Israel has insisted that the project and the steady

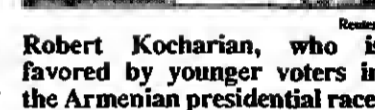
“It has to be possible to have a look at the main point of contention. This is something our Israeli partners have to understand.”

When he visits Gaza, Mr. Cook also intends to visit the site of the still unopened Gaza airport, another

Mr. Cook said he would keep in contact with Secretary of State Madeleine Albright during his trip. "I will assure her of the enthusiasm of the European Union for a fresh U.S. initiative," Mr. Cook said.



Although he is from Nagorno-Karabakh, and therefore not officially a citizen of Armenia, local reporters estimate that Mr. Kocharyan, 43, has about 28 percent of pop-



idential candidate of urban intellectuals and Soviet-era dissidents in an election that he maintains Mr. Ter-Petrosian stole from him. Despite sympathy over those claims

Mr. Manukian's reputation was tarnished by the mudslinging that followed. Estimates of his support are around 20 percent.

around 20 percent.

The UN secretary-general also called for the ratification of human rights treaties worldwide.

giving to the army is to fight the guerrillas." (Reuters)

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giving to the army is to fight the guerrillas." (Reuters)

giving to the army is to fight the guerrillas." (Reuters)

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OPINION/LETTERS

It's Time Clinton Took Off The Kid Gloves on China

By Fred Hiatt

WASHINGTON — Say you're the president of the United States and two world leaders both want you to visit. They both have big countries and plenty of nuclear weapons, but one's a democrat who considers you a friend and the other's a dictator who shares none of your values. Whom do you call first?

If you're Bill Clinton these days, you call the dictator. Mr. Clinton won't go to Moscow to see President Boris Yeltsin until the Duma — which is about as much under Mr. Yeltsin's control as Newt Gingrich's House is under Mr. Clinton's — ratifies the START-2 arms control treaty.

But Mr. Clinton has set no such conditions for his summit meeting in Beijing; he's so eager, in fact, that he's going in June instead of next fall, as originally planned. If he really hurries, he might make it in time to help his new friends mark the June 4 anniversary of their Tiananmen massacre.

What accounts for this? Some have suggested he wants his Great Wall photo to distract from the Paula Jones trial, which opens May 27, but his advisers say no, that's not it, either.

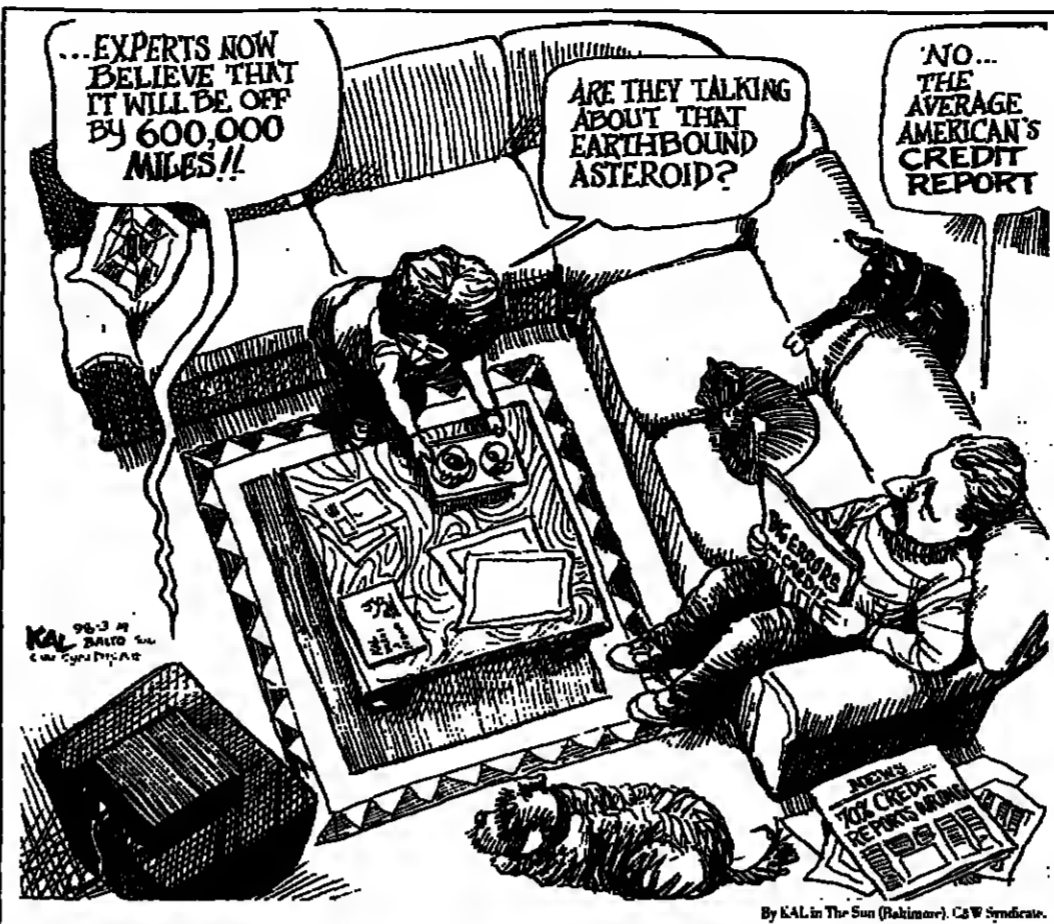
Unfortunately, their denials may be true; what's really going on here is more worrisome than everyday Clinton public relations. What's really going on is the White House is edging toward a full Rupert Murdoch on China.

Like Mr. Murdoch, President Clinton does not like to offend China's dictators. Back in 1994, when he "delinked" trade and human rights, he promised at least to speak forthrightly on China's record of political dissidents, repression of Christian believers and other human rights abuses.

Yet in the UN annual session on human rights (which opened in Geneva on Monday) — a forum where Mr. Clinton specifically pledged to raise these issues — his representatives will have nothing to say on China.

Then there are the nukes. At his first summit meeting with President Jiang Zemin last fall, Mr. Clinton announced that China was no longer a proliferator of nuclear weapons and so could start buying U.S. nuclear technology. Skeptics acknowledged that China had signed on to some important treaties, but they suggested that given

The Washington Post.



LETTERS TO THE EDITOR

About Kosovo

Regarding "A Spark in the Balkans" (Editorial, March 9):

The editorial, while offering some innovative solutions to the problems in Kosovo, unfortunately supports the goal of multiethnic nations, a concept doomed to failure.

The Treaty of London of 1913 — which artificially shunted off Albanians to various other nations as some sort of war prize — is at the root of the present-day crisis. The international community therefore must be held responsible for finding a present-day solution.

STEPHEN PATTERSON, Zurich.

Regarding "Heeding Death Threats, Red Cross Leaves Kosovo" (March 12):

I have often been annoyed by the media's use of the term "security forces." In the article about the Kosovo atrocities, the reporter said scores of people had been killed by "Serbian security forces."

Is that what "security" forces

do, kill scores of probably harmless civilians? Whose security are we talking about? In the same article the killers are called what they really are: police and members of paramilitary units. So why in the first instance use a euphemism?

MARTIN KUHN, Essen, Germany.

Mid-east Troubles

Regarding "Now to Devise an Improved Middle East Strategy" (Opinion, Feb. 27) by Flora Lewis:

Thank goodness for the sane and wise commentary of Flora Lewis, who has consistently used her column to counteract the warmongering attitudes all too prevalent in the United States at the moment.

As she says, Saddam Hussein is a particularly nasty dictator, but it is the whole gamut of problems in the Middle East — not the least of which is the Israeli-Palestinian situation — that renders him as dangerous as he is.

Europeans may agree with America's diagnosis of the Saddam problem but disagree forcefully over the proposed treatment. They are scared of a unipolar world in which the United States does whatever it wants: the "do what we say or we'll bomb you" attitude.

Flora Lewis is right that only by developing a radical new approach to the overall peace of the region — forcing Benjamin Netanyahu to live up to the peace accords, achieving détente with Iran and dialogue with other states — can more dangerous developments be avoided.

CARL HABER, Rome.

Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.

Violent, Sadistic, Racist Officers of the Law

By Bob Herbert

NEW YORK — The police officer called late in the afternoon. He spoke hesitantly, afraid that his identity would be revealed. I assured him that it would not.

"I came on this job expecting to do the right thing," he said. "I like people. I was gung ho. I wanted to help people."

But he said that his efforts and those of many thousands of ded-

handcuffed and terrorized by a dozen cops who turned the apartment upside down in a futile search for marijuana.

The pregnant woman, dressed only in panties and a top, became so frightened that she urinated. Her plea to be allowed to put on dry clothes was denied and she was forced to sit handcuffed in her soiled underwear on her soaked bed for more than two hours.

That ordeal ended when a cop, at the scene announced that the wrong apartment had been hit. Later a police spokesman would insist that the raid had not been a mistake, although no drugs were found and no arrests were made.

The officer who called me said he had been on a number of similar raids.

"They call it 'booming.' That's crashing the door down," he said.

"What happens is that the narcotics guys get these CIs [confidential informants] who are trying to cut themselves sweet deals to get them out of worse charges. They have to come up with something, so they give this [expletive] information. They'll say this guy is selling pot or whatever. But a lot of it's not true."

"The narcotics guys go and get a warrant from a judge. And then they boom the door and totally trash the apartment, but a lot of times they'll come up with nothing. One that I went on, there was this older black woman in the apartment. They threw her down and cuffed her and dragged her outside. It was freezing out and this woman was crying. I felt so bad for her. I said, 'What the [expletive] are they doing?'"

No drugs were found, he said. But the woman's apartment was wrecked.

I asked why cops who object to abusive behavior don't intervene and try to stop it.

"You don't want to be branded a rat," he said. "If you were to challenge somebody for something that was going on, they would say, 'Listen, if the supervisor isn't saying anything, what the hell are you interjecting for?'"

"You gotta work with a lot of these guys," he said. "You go on a gun job, the next thing you know you got nobody following you up the stairs."

The New York Times.

TO's Door Open

Northern Strategy

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CIAO, M.O.

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A Drying Well in Japan

NEC Is Turning to Foreign Banks for Funds

TOKYO — Citibank NA and seven other foreign banks plan to lend NEC Corp. up to 70 billion yen (\$543 million) in Japan's first syndicated revolving loan, as companies broaden fund-raising efforts to cope with reduced lending by domestic banks.

The move by NEC, Japan's largest maker of microchips and personal computers, comes as Japanese banks are slashing lending to get risky assets off their books and increase capital-to-asset ratios before the end of Japan's financial year on March 31.

"The recent economic turmoil in Japan has made leading companies such as NEC take measures, like the current facility, to insure they are protected from disturbances in the financial markets," Citibank said.

Joining Citibank in the syndicate are The Chase Manhattan Bank, Bayerische Vereinsbank AG, Deutsche Bank AG, Morgan Guaranty Trust Co. of New York, Union Bank of Switzerland, Bank of America and Bayerische Landesbank Girozentrale.

The 364-day syndicated revolving facility would enable NEC to get loans for periods of less than six months at the

London interbank offered rate, plus fixed additional costs whenever it wished during the period, NEC and Citibank officials said.

"The deal should improve our fund-management efficiency by lessening the money now held as short-term liquidity and instead allowing us to use it for other purposes," a NEC spokesman said.

Lending by Japanese banks fell in February from the same month a year ago, marking the 17th straight month that loans fell or were unchanged, central bank figures show.

Banks are trying to increase their capital-to-asset ratios to meet global standards, and are finding it hard to meet those levels because they are committing capital to writing off trillions of yen in bad loans.

NEC will rely principally on commercial paper to raise short-term funds and on debt issuance to procure funds for longer-term needs, the spokesman said.

NEC asked the Finance Ministry in January for permission to sell up to 200 billion yen in bonds to finance investments in plants and equipment, according to documents at the ministry.

NEC shares closed Monday at 1,370 yen, unchanged. (Bloomberg, Reuters)



MICRO-GIANT — A worker cleaning a huge model of a notebook computer in Hannover, Germany on Monday as the city prepared to welcome CeBIT '98, the world's largest computer fair. The fair, at which more than 7,000 exhibitors from 60 countries are expected to gather, will run from Thursday to March 25.

Devaluation Lifts Shares In Athens

Move to Qualify for EMU Attracts Foreign Buyers

ATHENS — Greek stocks surged Monday in a key test of investors' response to the drachma's devaluation as part of the country's efforts to qualify for the planned European single currency.

The Athens stock market's general index closed 7.31 percent higher Monday. Foreign investors took advantage of their stronger foreign currency to buy shares. Shares of companies with export-based businesses rose as their products would now be cheaper abroad.

Prime Minister Costas Karamanlis said Saturday that the drachma was being devalued 14.3 percent against the European currency unit, whose rate is derived from a basket of European currencies. The drachma had to be weakened in order to enter Europe's exchange-rate mechanism, which limits fluctuations in participating currencies.

The step was seen as crucial to Greece's attempt to join Europe's planned monetary union in 2001.

The drachma, which entered the mechanism at 357 to the Ecu, was trading Monday at 348.724 to the Ecu.

The European commissioner for economic affairs, Yves-Thibault de Silguy, welcomed Greece's entry into the mechanism and praised its stabilization plans.

"The entry of Greece into the exchange-rate mechanism is a step in a right direction," he said in Munich.

Mr. de Silguy also said Ireland's decision over the weekend to revalue the punt by 3 percent helped lay down solid foundations for the country's transition to the single currency.

The drachma's devaluation is expected to lead to price increases for imported goods and an increase in inflation, hurting salaried employees, pensioners and civil servants, as well as companies that have taken out loans in foreign currencies.

But the devaluation is expected to increase tourism, Greek exports and attract more foreign investors.

Greece's finance minister, Yannis Papantoniou, unveiled an austerity program Sunday to keep the currency stable and meet Economic and Monetary Union criteria, including additional cuts in state spending of 350 billion drachmas (\$1.2 billion) to reduce the budget deficit.

The Greek government's abrupt change of policy Saturday — scrapping its hard-drachma policy and devaluing to enter the exchange-rate mechanism — was criticized by Greek newspapers, which said the Greek public was 14 percent poorer. (AP, Reuters)

Thinking Ahead / Commentary

American Euro-Cynics Are Wrong

By Reginald Dale
International Herald Tribune

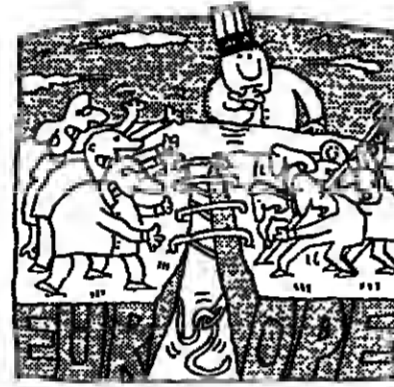
WASHINGTON — Now that the European Union has formally begun the process of admitting new members from behind the former Iron Curtain, it should be easier to convince American skeptics that West Europeans are actually serious about uniting their continent. It should be, but it may not be.

Although the doubts are not shared by many among Washington's dedicated band of Euro-watchers, or by the administration, a cynical hard-core minority still insists that the EU is deliberately delaying the entry of the Central European countries, perhaps indefinitely.

The view is frequently advanced by opponents of extending the North Atlantic Treaty Organization eastward into former Warsaw Pact territory, and by those hostile to the EU's plan for a single currency, who often turn out to be the same people — people, that is, who tend to distrust Europeans and to dislike European integration.

One argument is that the West Europeans are holding back on expanding the EU in order to put pressure on Washington to ensure that NATO takes the Central and East European countries under its wing, thus relieving the EU of having to do the job.

Another is that the West Europeans are deliberately pushing ahead with economic and monetary union so as to make it harder for the Central and East Europeans to fulfill the requirements for EU membership. That in turn can be



Nickolas Andriou/HIT

used as a further argument against the EU's planned single currency, the euro.

Why on earth would the West Europeans want to behave like this? Well, say the cynics, it is partly to trick the Americans into paying for Europe's defense, and partly to protect themselves from the cheap imports and low-wage migrant workers who would flood into Western Europe if the Central and East Europeans joined the EU.

Such suspicions are unlikely to be dispelled by the 26-nation European Conference held in London last week to begin EU entry negotiations with the Central and East European countries — precisely because the suspicions tend to be harbored by people who distrust the EU in the first place.

But the cynics attribute a degree of guile and forward thinking to the EU that would astonish most participants in its decision-making process. EU de-

cisions are far more likely to be enmeshed by bureaucratic entanglements, the narrow-minded pursuit of national interests and institutional inertia than they are to be dictated by cunning strategic conspiracies.

The cynics are also not listening to the views of the Central and East Europeans themselves, who are no longer complaining about EU foot-dragging. The Central and East Europeans recognize they still have some way to go to be ready for EU membership — Poland for instance is halfway to adopting the huge corpus of EU laws and regulations — and are concentrating on trying to catch up.

The West Europeans cannot keep out industrial exports from the Central and East European countries by delaying their membership, because they already have free-trade agreements with the EU. And the single currency should not make their entry more difficult.

If the Central and East Europeans meet the criteria for the single currency by the time they join the EU, well and good. If not, they will just become EU members without joining the euro.

What is true is that the EU countries have a huge amount to do to prepare for the entry of the Central and East Europeans. They need to reform their agricultural policies, their financial arrangements and their decision-making procedures, and, predictably, they have shamefully procrastinated.

The good thing about starting the admission process is that the EU countries are finally putting pressure on themselves to tackle these difficult and unpleasant problems.

Breaking With Tradition, Buffett Unloads Stocks

Berkshire Sees Few Deals in Today's Markets

By Floyd Norris
New York Times Service

NEW YORK — Warren Buffett, a man who built his reputation by buying stocks that were destined to soar, says he is having a hard time finding new investments that look cheap. So he has been selling some of the huge stock portfolio he built over the decades.

Mr. Buffett, in the annual report of Berkshire Hathaway Inc., released over the weekend, reported that the company had sold about 5 percent of its stocks last year while buying silver and zero-coupon Treasury bonds.

The company cut back on its holdings in three of its largest positions — Walt Disney Co., Wells Fargo & Co. and U.S. Federal Home Loan Mortgage Corp. — as well as on other smaller stock positions that the company did not disclose.

[McDonald's Corp. shares finished down 1.625 at \$53 on Monday after the company was omitted from Mr. Buffett's list of biggest holdings. Bloomberg News reported.]

Mr. Buffett, chairman of Berkshire Hathaway, gained a wide following for shrewd purchases of stocks over the last three decades, but the annual report showed that the company had sold more shares than it had bought for the second consecutive year in 1997.

"We gained enormously from the low prices placed on many equities and businesses in the 1970s and 1980s," he wrote in the annual report. "In recent years, the actions we took in those decades have been validated, but we have

found few new opportunities."

He warned that it "may be some time before we find opportunities that get us truly excited."

"Perhaps," he fretted, "the attractive prices of the past were the aberrations, not the full prices of today."

Berkshire A-shares finished Monday at \$61,100, up \$1,800.

Last year, Mr. Buffett looked outside of the stock market for investment opportunities. His silver purchases, reported in February, sent silver above \$7 an ounce although the price has since fallen to \$6.135 an ounce.

The report offers no clue as to when Mr. Buffett might sell the silver, or whether he plans to buy more. But it does emphasize that the investment rationale was that silver was in short supply relative to demand, not an expectation that inflation would be rekindled. And it says that Berkshire had a profit at the end of the year of \$97.4 million on the 111.2 million ounces of silver it bought last year.

An earlier commodity speculation by

See BUFFETT, Page 15

The Cyberlawyer: Legal Animal of Information Era

By Amy Harmon
New York Times Service

NEW YORK — Cyberspace, only yesterday the proud Wild West of the information age, is rapidly being settled and tamed. The best evidence is a sudden — some might say alarming — infestation by a new species, the cyberlawyer.

Last month, at the Computers, Freedom and Privacy conference — an annual gathering once dominated by hackers and security agents — they clogged panels with topics like "Government Jurisdiction Over Cyberspace Transactions." Each week, they send hundreds of messages to their own "Cyberia" electronic-mail list, pondering matters like "Usenet Death Penalty — Legal?"

A pack of cyberlawyers is petitioning the White House for access to its planned conference on Internet privacy. Top U.S. law schools are vying to dominate an area of jurisprudence called cyberlaw as firms promoting such practices are becoming ubiquitous.

Whatever happened to the electronic frontier? Perhaps, as they like to say in the legal trade, *res ipsa loquitur* — the thing speaks for itself.

The Internet has changed from a playground for like-minded libertarians to a workplace and social space for millions. The latest settlers have little interest in the cyberstate of nature or the utopian manifestos of pioneers — such as John Perry Barlow's oft-cited "A Declaration of the Independence of Cyberspace," which defied any state's as-

sertion of control over the Internet.

That is where the lawyers come in. "It's like when you start a colony," said Mike Godwin, chief counsel for the Electronic Frontier Foundation, an advocacy group that only a few years ago was practically alone in the field.

"The first thing you do is find out where the water is. The next thing you do is form couples, start families, build the burden of proof and what are the remedies for libel on the Internet, where everyone can be a publisher? Also, can Mr. Drudge be sued in the District of Columbia for an item that he posted on his World Wide Web site in Los Angeles?"

But in a legal system that reverses precedent and relies on analogy, even defining the nature of an Internet-related dispute can be a source of contention.

Consider a few of the pending cases

and the questions they raise across a range of legal doctrines:

• The U.S. government sues Microsoft Corp., charging it with antitrust violations. How is monopoly measured in an information age?

• A White House aide, Sidney Blumenthal, sues an Internet gossip columnist, Matt Drudge, for libel. What is the burden of proof and what are the remedies for libel on the Internet, where everyone can be a publisher? Also, can Mr. Drudge be sued in the District of Columbia for an item that he posted on his World Wide Web site in Los Angeles?

• America Online Inc. sues for an injunction against multiple distributors of pornography.

See LAWYERS, Page 15

Joblessness in Hong Kong Takes Biggest Rise in 7 Years

Compiled by Our Staff From Dispatches

HONG KONG — Hong Kong's unemployment rate posted its biggest quarterly jump in seven years as the Asian economic slump and a credit squeeze forced employers to cut costs, the government announced Monday.

The unemployment rate jumped to 2.9 percent in the three months through February from 2.5 percent in the previous three months.

Unemployment remains at its highest level since the final quarter of 1995, when it rose to 3.5 percent after the government doubled to 150 the number of legal immigrants allowed in each day from mainland China. The increase in joblessness was the highest since the first quarter of 1991.

A government spokesman said that a "distinct rise in unemployment" was observed after the Lunar New Year holidays, which ended at the beginning of February.

He said that while it was customary for employers to adjust their work

force at this time of year, the adjustment was intensified by the repercussions of the regional financial turmoil and the consequent setback in the local economy. He added that the government was ready to assist the unemployed to re-enter the work force as soon as possible.

Job creation in the private sector slackened along with the downturn in the economy, but the government's expenditure program, particularly on public housing and new infrastructure, would continue to provide job opportunities, he said.

The territory's government has faced increasingly noisy attacks from politicians and labor unions for failing to act in the face of growing numbers of people being forced out of work by rising interest rates and regional economic turmoil.

The number of people visiting Hong Kong, especially from Japan, has also fallen, biting hotels, restaurants, retailers and other leisure businesses. (Bloomberg, AFP)

CURRENCY & INTEREST RATES

March 16									
Cross Rates	£	DM	FF	Yen	CS	Yen	CS	Yen	CS
Australia	1.54	1.02	1.02	1.02	1.02	1.02	1.02	1.02	1.02
Canada	0.71	0.67	0.67	0.67	0.67	0.67	0.67	0.67	0.67
France	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36
Germany	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36
Italy	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36
Japan	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36
Spain	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36
Sweden	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36
Switzerland	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36
UK	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36
US	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36

March 16									
Libid-Libor Rates	1-month	3-month	6-month	9-month	12-month	18-month	24-month	36-month	48-month
1-month	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
3-month	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
6-month	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
9-month	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
12-month	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
18-month	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
24-month	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
36-month	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
48-month	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00

March 16									
Key Money Rates	1-month	3-month	6-month	9-month	12-month	18-month	24-month	36-month	48-month
1-month	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
3-month	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
6-month	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
9-month	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
12-month	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
18-month	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
24-month	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
36-month	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
48-month	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00

March 16									
Other Dollar Values	1-month	3-month	6-month	9-month	12-month	18-month	24-month	36-month	48-month
1-month	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
3-month	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
6-month	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
9-month	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
12-month	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
18-month	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
24-month	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
36-month	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
48-month	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00

March 16									
Forward Rates	1-month	3-month	6-month	9-month	12-month	18-month	24-month	36-month	48-month
1-month	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
3-month	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
6-month	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
9-month	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
12-month	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
18-month	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
24-month	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
36-month	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
48-month	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00

Saudi Bets Big on a Korean Comeback

By Don Kirk
International Herald Tribune

SEOUL — Prince Walid bin Talal, the Saudi billionaire, bet \$150 million Monday on South Korea's future.

The prince, whose investments range from Citicorp to the Four Seasons-Regent hotel chain to Disneyland-Paris and Saks Fifth Avenue, said he foresaw profits following the economic turmoil afflicting South Korea and much of the rest of Asia.

The prince dashed from one giant chaebol, or conglomerate, to another, promising to contribute a total of \$150 million as "an investment," he explained, not just in a particular company "but in Korea."

The prince began his day with a meeting with the Daewoo group chairman, Kim Woo Chong, at which he signed a memorandum agreeing to buy \$100 million in convertible bonds from the Daewoo Corp., the trading and construction arm of the group.

Mr. Kim indicated his relief at the vote

of confidence by a major investor at a stage at which the Daewoo group, South Korea's fourth-largest chaebol, is in need of help. As he put it, "Daewoo is open to additional strategic alliances with any global investors and corporations in capital, production and marketing."

Predicting Daewoo's strategy would "ensure an even greater share of world trade," he observed that "strategically positioned industries in the region are today at an advantage to benefit from the recent economic shakeup."

Monday afternoon, Prince Walid was off to the headquarters of the Hyundai group, the country's largest chaebol, and another signing, this time of an agreement to purchase \$50 million of convertible bonds in Hyundai Motor Co. with a conversion value exceeding 6 percent of HMC's common shares.

The prince was not deterred by the precipitous drop in the Korean car market, in which sales of Hyundai, the country's largest motor vehicle manufacturer, have fallen by more than 50 percent from a year ago. "I've known

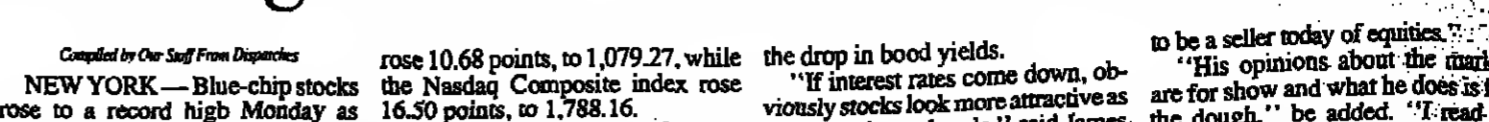
Hyundai ever since Hyundai went to the Middle East," he said, recalling Hyundai's enormous construction projects in Saudi Arabia and elsewhere.

The HMC chairman, Chung Mong Gyu, a scion of the family that controls the Hyundai group, said HMC, unlike rival Daewoo Motor Co. and other Korean motor vehicle companies, was not looking for a foreign partner but welcomed overseas investment. Other Hyundai companies, he said, also "planned to induce foreign capital."

"The show of confidence by one of the world's wealthiest investors appeared to inspire the host for his visit, President Kim Dae Jung, to another plea for understanding among traditionally isolationist Koreans of the benefits of a massive infusion of money from abroad."

The president, who receives Prince Walid on Tuesday, reminded Finance Ministry officials that foreign investment was "linked to the life and death of our economy," according to an official account of the meeting.

Intel Is on



between the lines that he is skeptical. The fact that he is coming to an alternative investments—oil or —this shows that he thinks it's little attractive out there. Omega fell 9/16 to 7 1/4 after the maker of disk drives warned that it would post a loss for the fourth quarter because shipments had been slower than anticipated. Omega surged 3 to 4 7/8 on news Sprint had signed three-year contracts to use a new Ciena product that increases capacity to help phone companies keep up with exploding line traffic without laying more optical line.

(Bloomberg-AP)

Aetna Sets Price for Health Unit

disability business, but not the unit physician practice management company.

Genoa, which became one of America's largest health insurers when it bought U.S. Healthcare for \$1 billion in 1996, has 13.7 million health-insurance customers.

New York Life unit provides health insurance for 2.2 million people, including 1.5 million under aged care.

The agreement has been approved by the boards of both companies and is expected to be completed in the third quarter of 1998. It is subject to approval by antitrust regulators. (AP, NYT)

Alltel Purchases to Create Telephone Crier

...y said they expected to save \$100 million a year by 2000 as a result of the combination.

Under terms of the deal, 360 communications shareholders will receive 0.74 shares of Alltel for each share of 122 million shares.

At Alltel's price per share of \$18.125 at the close Friday, that would make the deal worth about \$2 billion.

The deal is subject to approval by shareholders of both companies as well as to regulatory clearance. But

tel. shares were trading at \$43.75 late Monday, down 17.5%. Shares of 360 Communications were at \$31.4375, down 87.5%. (AP, Bloomberg)

INTERNATIONAL FUTURES

	High	Low	Latest	Chgs.	Optm.
Jun 96	95.32	95.27	95.27	-0.04	25,000
Jul 96	95.83	95.81	95.82	-0.02	29,019
Aug 96	96.34	96.32	96.33	-0.01	34,000
Sep 96	96.39	96.38	96.38	Unch.	17,356
Oct 96	96.47	96.47	96.47	Unch.	41,252
Est. sales N.A.	57,227	57,227	57,227		
Pwr. open int.	59,300	59,300	59,300		
Prs open int.	59,300	59,300	59,300		
Industrials					
COTTON 2 (NCR)					
60,000 lbs. - cont'd per lb.					
May 96	70.70	70.21	70.54	-0.38	33,330
Jun 96	71.98	71.67	71.54	-0.31	17,650
Jul 96	72.85	72.55	72.55	-0.37	2,774
Aug 96	73.75	73.44	73.54	-0.24	26,700
Sep 96	74.65	74.34	74.34	-0.35	10,400
Est. sales N.A.	74,340	74,340	74,340		
Prs open int.	82,036	82,036	82,036		
HEATING OIL (NMR)					
42,000 gals. cont'd per gal.					
Apr 96	48.95	48.95	48.95	Unch.	1,373
May 96	48.95	48.95	48.95	Unch.	1,434
Jun 96	49.05	49.05	49.05	Unch.	1,916
Jul 96	49.25	49.10	49.11	-0.19	12,818
Aug 96	49.05	49.05	49.05	Unch.	13,730
Sep 96	48.80	48.61	48.61	-0.19	9,289
Oct 96	48.50	48.34	48.34	-0.16	5,647
Est. sales N.A.	52,070	52,070	52,070		
Pwr. open int.	176,495	176,495	176,495		
LIGHT SWEET CRUDE (NMR)					
1,000 bbl. - dollars per bbl.					
Apr 96	14.85	14.75	14.81	-0.17	4,777
May 96	14.42	14.30	14.35	-0.08	9,347
Jun 96	14.42	14.35	14.35	-0.07	13,919
Jul 96	15.09	14.44	14.44	-0.67	27,352
Aug 96	15.45	14.76	14.76	-0.69	10,176
Sep 96	16.73	15.31	15.31	-1.42	7,153
Est. sales N.A.	47,167	47,167	47,167		
Pwr. open int.	47,167	47,167	47,167		
NATURAL GAS (NMR)					
100,000 cu. ft. - dollars per cu. ft.					
Apr 96	2.170	2.155	2.155	-0.018	26,335
May 96	2.170	2.155	2.155	-0.018	26,335
Jun 96	2.252	2.160	2.208	-0.048	26,335
Jul 96	2.252	2.202	2.202	-0.050	17,356
Aug 96	2.252	2.202	2.202	-0.050	17,356
Sep 96	2.252	2.202	2.202	-0.050	17,356
Oct 96	2.252	2.202	2.202	-0.050	17,356
Est. sales N.A.	25,520	25,520	25,520		
Pwr. open int.	199,481	199,481	199,481		
UNLEADED GASOLINE (NMR)					
42,000 gals. cont'd per gal.					
Apr 96	47.20	47.10	47.24	-0.01	26,335
May 96	47.20	47.10	47.24	-0.01	26,335
Jun 96	47.20	47.10	47.24	-0.01	26,335
Jul 96	47.20	47.10	47.24	-0.01	26,335
Aug 96	47.20	47.10	47.24	-0.01	26,335
Sep 96	47.20	47.10	47.24	-0.01	26,335
Oct 96	47.20	47.10	47.24	-0.01	26,335
Est. sales N.A.	25,520	25,520	25,520		
Pwr. open int.	114,191	114,191	114,191		
GASOLIN (PBP)					
100,000 gal. - dollars per 100 tons					
Apr 96	122.35	120.00	120.25	-0.60	35,449
May 96	122.35	120.00	120.25	-0.60	35,449</

WORLD STOCK				
Monday, March 16				
Percent change				
	High	Low	Close	Prev.
London	1114.50	1114.50	1114.50	1114.50
FTSE 100	1114.50	1114.50	1114.50	1114.50
100	1114.50	1114.50	1114.50	1114.50
200	1114.50	1114.50	1114.50	1114.50
300	1114.50	1114.50	1114.50	1114.50
400	1114.50	1114.50	1114.50	1114.50
500	1114.50	1114.50	1114.50	1114.50
600	1114.50	1114.50	1114.50	1114.50
700	1114.50	1114.50	1114.50	1114.50
800	1114.50	1114.50	1114.50	1114.50
900	1114.50	1114.50	1114.50	1114.50
1000	1114.50	1114.50	1114.50	1114.50
1100	1114.50	1114.50	1114.50	1114.50
1200	1114.50	1114.50	1114.50	1114.50
1300	1114.50	1114.50	1114.50	1114.50
1400	1114.50	1114.50	1114.50	1114.50
1500	1114.50	1114.50	1114.50	1114.50
1600	1114.50	1114.50	1114.50	1114.50
1700	1114.50	1114.50	1114.50	1114.50
1800	1114.50	1114.50	1114.50	1114.50
1900	1114.50	1114.50	1114.50	1114.50
2000	1114.50	1114.50	1114.50	1114.50
2100	1114.50	1114.50	1114.50	1114.50
2200	1114.50	1114.50	1114.50	1114.50
2300	1114.50	1114.50	1114.50	1114.50
2400	1114.50	1114.50	1114.50	1114.50
2500	1114.50	1114.50	1114.50	1114.50
2600	1114.50	1114.50	1114.50	1114.50
2700	1114.50	1114.50	1114.50	1114.50
2800	1114.50	1114.50	1114.50	1114.50
2900	1114.50	1114.50	1114.50	1114.50
3000	1114.50	1114.50	1114.50	1114.50
3100	1114.50	1114.50	1114.50	1114.50
3200	1114.50	1114.50	1114.50	1114.50
3300	1114.50	1114.50	1114.50	1114.50
3400	1114.50	1114.50	1114.50	1114.50
3500	1114.50	1114.50	1114.50	1114.50
3600	1114.50	1114.50	1114.50	1114.50
3700	1114.50	1114.50	1114.50	1114.50
3800	1114.50	1114.50	1114.50	1114.50
3900	1114.50	1114.50	1114.50	1114.50
4000	1114.50	1114.50	1114.50	1114.50
4100	1114.50	1114.50	1114.50	1114.50
4200	1114.50	1114.50	1114.50	1114.50
4300	1114.50	1114.50	1114.50	1114.50
4400	1114.50	1114.50	1114.50	1114.50
4500	1114.50	1114.50	1114.50	1114.50
4600	1114.50	1114.50	1114.50	1114.50
4700	1114.50	1114.50	1114.50	1114.50
4800	1114.50	1114.50	1114.50	1114.50
4900	1114.50	1114.50	1114.50	1114.50
5000	1114.50	1114.50	1114.50	1114.50
5100	1114.50	1114.50	1114.50	1114.50
5200	1114.50	1114.50	1114.50	1114.50
5300	1114.50	1114.50	1114.50	1114.50
5400	1114.50	1114.50	1114.50	1114.50
5500	1114.50	1114.50	1114.50	1114.50
5600	1114.50	1114.50	1114.50	

EUROPE

Intel Is on the Prowl to Invest in High-Tech Newcomers

FRANKFURT — Intel Corp. is increasingly looking to invest in young European technology companies that have the potential to expand the use of computers and the Internet.

Although the vast majority of start-up activity remains in the United States, many European countries have made strides in fostering entrepreneurship and innovation, said Nigel Grierson, Intel's director of corporate business development in London.

Intel has signed several memoranda of understanding with European governments to help promote start-up activity.

"Europe is becoming very interesting," he said. "There is a mine of opportunity."

Although Intel declines to give precise figures, it has said the total value of stakes it holds in other companies exceeds \$500 million, not including companies it has acquired outright.

Mr. Grierson said Intel planned no change in the pace of its investment program despite a recent profit warning and increasing signs of slackening demand for personal computers.

"We have every confidence that the underlying growth for computers is going to be strong," he said.

Intel has stakes in more than 100 companies that are developing technologies related to networking, semiconductors, the Internet and communications. In the past year, it has bought stakes in Cambridge Display Technologies, a Britain-based flat-screen developer, and XOS Software AG, a German archiving and imaging-software company.

Intel acquired Case Technology of Denmark, a maker of networking equipment, and formed a partnership with SCM Microsystems Inc. of Germany, which is working on

smart-card technology. With Societe Europeenne des Satellites of Luxembourg, Intel formed ESM, which delivers Internet data via satellite. It has also joined forces with SAP

"We have every confidence that the underlying growth for computers is going to be strong."

AG to launch Pandemic, a U.S.-based venture that helps small companies set up electronic commerce systems.

Europe has become more attractive for investment as governments have reset regulatory environments in the hope that new ventures will stimulate economic growth and create jobs, Mr. Grierson said.

"Britain leads the way in overall climate, with excellent universities and entrepreneurial spirit," he said. Germany and Scandinavia are also strong, he said, but France lags.

Along with regulatory changes, Europe has gained ground in trying to duplicate the success of the Nasdaq stock exchange, which lists the shares of Intel, Microsoft Corp. and many high-tech companies and start-ups.

SCM, for example, is listed on Neuer Markt, the Frankfurt bourse's electronic exchange. The Nouveau Marche is a similar exchange in Paris, while the Easdaq in Brussels is trying to become a pan-European market for growth stocks.

"One of the things European companies struggle with is when to go public," Mr. Grierson said. "Nasdaq is a tough market to go on without a North American office. The New Market and the Nouveau Marche have lowered the hurdles."

Changes in political and financial climates have been backed up by the greater availability of European venture capital, Mr. Grierson said, adding, "A lot of companies that couldn't have gotten off the ground

before are now getting funding." Most European venture money still goes to biotechnology and other fields. In 1997, about \$12 billion was available from European venture firms, with only 5 percent going into information technology, he said.

"That's a small number, but it's doubling every year," he said. "There are about 10,000 tech-friendly VCs in Europe, but I get calls from two more each month. The explosion of venture capital confidence in the U.S. has been watched over here."

By supporting key technologies, Intel aims to keep steps of computers, and its semiconductors, on the rise. In Europe, Intel hopes ESM will help link Internet users by shortening access time. ESM could nurture e-commerce by linking smart cards and personal computers, while Cambridge Display's flexible screens could lead to virtual reality systems that require high-powered processors. The Case deal helped Intel acquire technology for its own line of networking products.

As Takeover Winds Blow, Telecom Shares Get a Lift

Shares in European telecommunications companies rose Monday amid speculation that three companies — Orange PLC, Cable & Wireless PLC and Olivetti SpA — might be the target of takeover bids.

After merger speculation among banks, insurers and drugmakers helped drive benchmark stock indexes to records in recent months, now the telecommunications sector looks like the hot spot for takeovers, investors and traders said.

"There's more consolidation to come," said Simon Davies, a fund manager at Berry Asset Management in London.

Olivetti, the Italian telecommunications and information-technology company that controls the mobile-phone company Omnitel Proton-Italia SpA, finished the day at 2,500 lire (\$1.39), up 180.

Mannesmann AG, Olivetti's German partner, and Mediaset SpA, the Italian broadcaster that plans to expand into telecommunications, have been named by traders and analysts as the two most likely candidates to take control of Olivetti.

Omnitel is seen by many analysts as attractive because it has a 21 percent share of Italy's cellular-phone market, one of the fastest-growing in Europe. Telecom Italia Mobile SpA controls the remaining 79 percent.

Cable & Wireless was named as a potential takeover target by a British newspaper, which based its speculation on a research note by two analysts, Andrew Harrington and Richard Sloane of Salomon Smith Barney, who upgraded their price target for the company to 890 pence (\$14.87) a share from the 750 pence estimate they made 18 months ago.

Cable & Wireless closed at 706 pence, up 6.

British Aerospace is poised to sell its 21 percent stake in Orange, according to a published report, and could raise as much as £1.5 billion from the sale.

Orange rose 27 pence to close at 408.

Shares of TeleDanmark AS also gained 52 kroner to close at 570 (\$81.86) in Copenhagen after the company denied a report that it was thinking of spinning off its German

Spain Phone Giant Divides Operations

MADRID — The Spanish telecommunications giant Telefonos de Espana announced Monday a wide-ranging reorganization of its activities, aimed particularly at improving profitability.

Telefonos is dividing into five different activity sectors. The five are: Telefonos Espana, Telefonos Internacional, Telefonos Moviles (mobile telephones), Telefonos Media (which is to be spun off, Mr. Villalonga said) and a joint venture resulting from the company's alliance with Portugal Telecom.

Telefonos shares finished at 6,270 pesetas (\$40.48), down 130.

mobile-phone unit, Talkline.

Tele Danmark said Monday that it had no plans to spin off Talkline, refuting comments by Talkline's chief executive, Dirk Reupke, that the unit planned to list shares next year to raise money for expansion in Germany.

(Bloomberg, Reuters)

Pearson Chief Keeps Her Word As Operating Profit Rises 15%

LONDON — Pearson PLC reported a 15 percent increase in 1997 operating profit Monday as the British media company's chief executive, Marjorie Scardino, renewed her pledge to deliver double-digit earnings growth.

Pearson, which owns The Financial Times and Les Echos newspapers and half of The Economist magazine and Penguin Books, as well as Madame Tussaud's wax-works and "The Price is Right" game show, said operating profit for the year was \$323.2 million (\$539.9 million). Sales rose 4.9 percent to £2.29 billion.

"We said we'd deliver double-digit earnings growth," Ms. Scardino said, "and we've delivered it. Granted this is the first year, but we expect it to be the first in a string."

Ms. Scardino — an American who is the only female CEO of a major British company — noted that she had taken some flak last year when she made earnings pledge.

"But we thought it was a good promise, and we've delivered it. What we're trying to do is make Pearson a more reliable performer

and deliver what we said with no ifs or outs," she said.

Pearson has sold off assets — most recently a software unit, Mindscape Inc., at a \$350 million loss — to expand television production in pursuit of Ms. Scardino's goal of doubling the company's value by 2002.

"They were a solid set of results, a little bit less than I expected," said Louise Barton of Henderson Crosswhite.

Pearson shares fell 9 pence to 957 on Monday. They have risen 25 percent since Ms. Scardino's arrival in January 1997, trailing the 40 percent increase in the FT-SE 100 index, of which Pearson is a component.

Ms. Scardino said she planned to continue focusing on Pearson's main businesses — The Financial Times, educational publishing and television and entertainment — while selling such onerous assets as minority stakes in British Sky Broadcasting PLC and the cable-TV company Flextech.

"The BSkyB shares, I think we won't be able to sell until 1999," she said. "The Flextech shares, it's possible this year."

(Reuters, Bloomberg)

WORLD STOCK MARKETS

Monday, March 16

Prices in local currencies

Telecoms

High Low Close Prev.

Amsterdam

AEX Index: 1114.83

Previous: 1114.77

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ASIA/PACIFIC

New Cabinet Gets to Work In Indonesia

By Seth Mydans
New York Times Service

JAKARTA — A new, nationalist-oriented Indonesian cabinet took office Monday facing tough negotiations with international lenders over how best to dig the country out of its deepening economic crisis.

Cabinet members said they would get to work immediately to formulate policies, as representatives from donor nations gathered in Jakarta to meet with them.

As if to emphasize his autonomy, President Suharto announced the formation of a cabinet over the weekend that appears to represent business as usual at a time when the International Monetary Fund is demanding fundamental changes in the economy.

Already here or soon to arrive are senior officials from the IMF, the United States, Germany and Japan, all of which have urged Mr. Suharto to proceed with austerity measures to which he agreed two months ago.

The stock market and currency strengthened slightly Monday, maintaining what financial analysts said was a holding pattern as investors wait to see whether Jakarta and the Fund can reach accommodation. The Fund has delayed the continued disbursement of its \$40 aid package because of doubts over the carrying out of its conditions.

Government statements over recent days have suggested that Jakarta will seek an easing of requirements that it remove price supports from fuel and basic food commodities, in the face of rising prices and social unrest.

Mr. Suharto and his officials have also indicated that they may seek to maintain some of the state controls and monopolistic practices that have characterized major industries here.

"I start my duties in the midst of a seven-month long crisis," the new finance minister, Fuad Bawazier, said, "and I will focus on how to solve that crisis."

Mr. Fuad has expressed his doubts about the IMF's recovery formula.

One of the most controversial new ministers is Mohamad (Bob) Hasan, a close friend of Mr. Suharto's whose timber cartel is one of the enterprises the IMF has sought to end.

"Some monopolies help the people," Mr. Hasan said Monday.

Malaysia Growth Rate in Doubt

Compiled by Our Staff From Dispatches

KUALA LUMPUR — Finance Minister Anwar Ibrahim indicated Monday that the economic crisis in Asia would again force the government to cut its forecast for economic growth this year.

The government statistics department reported that Malaysia's annual inflation rate rose to its highest level in five years last month as the ailing ringgit pushed up import costs.

The consumer price index rose 4.4 percent in February from a year earlier, up from a rate of 3.4 percent in January and a 2.7 percent rate for all of 1997.

Analysts said the weakened currency had raised the price of imported goods, especially food items, and would fuel inflation in coming months, pushing interest rates higher.

Increased interest rates tend to slow economic growth by making it more expensive for companies and individuals to finance purchases.

In December, Mr. Anwar slashed growth estimates to 4 per-

cent in 5 percent, sharply lower than the 8 percent annual growth Malaysia averaged over the last decade.

Mr. Anwar did not say Monday what the new growth forecast for 1998 would be, but he indicated last week that 3 percent growth would more appropriate.

The International Monetary Fund forecast late last year that Malaysia's economy would grow 2.5 percent in 1998.

On Sunday Mr. Anwar, who is also deputy prime minister, said he would reveal additional measures to stabilize the economy when Parliament reconvenes next week. He also said over the weekend that Malaysia was considering taking a rural development loan from the World Bank.

The government has asked Malaysians to cut consumption of imported food since a regional financial crisis erupted last July, undercutting the ringgit's value against the dollar.

Malaysia imported an estimated 10 billion ringgit (\$2.7 billion) worth of food last year.

In February, the government was forced to raise the prices of imported food products — sugar, condensed milk and flour. It has also allowed a rise in chicken prices due to mounting costs of imported poultry feed.

To head off inflation, analysts said, Kuala Lumpur must keep interest rates high to encourage savings and reduce borrowings.

Mr. Anwar said that rising inflation was one of Malaysia's major concerns.

"We must focus our efforts on containing inflation, restoring business confidence and facilitating recovery without resorting to fiscal pump priming," he said.

Still, the chief economist at the World Bank, Joseph Stiglitz, said Malaysia's economic fundamentals were relatively strong.

"The state of the economy in Malaysia is clearly one of the strongest points within the region," he said after meeting with Mr. Anwar. He added that its strength "is the basis of prospects of quick recovery to the economic situation here." (AP, Reuters)

China to Offer Jumbo Funds As of Monday

Reuters

SHANGHAI — China formally announced Monday the launch of its first big mutual funds, in an effort to add stability to the country's volatile stock markets.

The first funds with capital of 2 billion yuan (\$241.6 million) each will be offered to the public starting Monday, the official Xinhua press agency said.

The funds are to be managed by two big domestic brokerages, China Southern Securities and China Guotai Securities, and will be authorized for 15 years.

"This will help us shift from the present circumstances where the reliance on individual investors is too great," Xinhua said. "It will help develop rational, long-term institutional investment."

China has a number of smaller mutual funds, but they play a tiny role in the nation's share trading, mainly because they have limited capital.

Beijing hopes that big funds will tap the huge pool of individual savings in bank accounts and promote long-term investments in the stock market.

The government also sees professionally managed funds as a way to limit investment risk, a theme to which the authorities have paid close attention following the wild swings on regional markets stemming from the Asian financial crisis.

The official news agency cautioned investors that mutual funds were not risk-free but said that they were more reliable than many other investment vehicles while providing comparatively steady returns.

"Mutual funds will be professionally managed," Xinhua said, quoting an official of the China Securities Regulatory Commission, the nation's market watchdog.

"Their operations will be stable with returns that generally will be higher than those of bank deposits and state debt," the official said.

While the aim is to promote the stock market over the longer term, the initial impact may be negative as it could drain funds away from listed shares.

"Initially there could be some pressure on the market — just as new stock offers draw funds away from shares that are already trading on the market," said a broker at Fujian Xingye Securities.

But over the long term this is definitely good news, he added.

Outspoken Veteran to Run Bank of Japan

Compiled by Our Staff From Dispatches

TOKYO — Prime Minister Ryutaro Hashimoto has selected an outspoken former central bank official with more than 50 years' experience in Japanese finance to take over as governor of the Bank of Japan, the government said Monday.

Masaru Hayami, 72, was a former executive director of the central bank who later became chairman of Nissbo Iwai Corp., a major trading company.

He will replace Yasuo Matsushita, who offered to resign last week to take responsibility for the arrest of a central bank official in a widening bribery scandal that had already claimed a finance minister and his deputy.

The announcement came after a meeting between the prime minister and Finance Minister Hikaru Matsunaga.

"I decided to take the job because I, as someone who knows a little about the BOJ, thought that I may of be some service to the bank now at this difficult time," Mr. Hayami said.

Nobuyuki Saji, senior economist at Nikko Research Center, said: "Hayami's name was never even



Masaru Hayami, 72, who helped shape monetary policy.

raised in advance as a possible choice. But his selection is good because of his expertise in global financial markets."

The candidates for the two new deputy governor posts also were unofficially named Monday.

One is Sakuya Fujiwara, 61, a former correspondent for the Jiji Tsushin-Sha news agency, where his

assignments included coverage of the central bank and the Finance Ministry. Considered a critic of both, he wrote a book titled "The True Faces of Bank of Japan Governors."

The other candidate, Yutaka Yamaguchi, is an executive director of the central bank.

The current senior deputy governor, Toshihiko Fukui, has been passed over for the post of governor and is also expected to resign from his position as deputy.

All three bank appointments are likely to be formalized at a cabinet meeting Friday, government sources said.

Political analysts had said that finding a suitable candidate to head the Bank of Japan would be difficult given the need to find someone untainted by the scandal but with the necessary experience in a large bureaucracy.

Mr. Hayami has headed several international business associations and bilateral cooperation groups, and he has been considered an influential figure on monetary policy.

He is a foreign exchange specialist who published a book in 1995 titled "The Day the Yen Wins Respect." (Reuters, Bloomberg)

BUFFETT: Billionaire Sees Few Opportunities in Stock Market

Continued from Page 11

Berkshire, disclosed in the annual report, involved the purchase of contracts to buy 45.7 million barrels of crude oil. Those contracts were bought in 1994 and 1995, and most of them were sold from 1995 to 1997, Mr. Buffett said, producing a profit of \$61.9 million. At the end of the year, Berkshire still held contracts for 14 million barrels of oil, with an unrealized gain of \$11.6 million. If Berkshire has held on to those contracts, that profit has turned into a loss as oil prices have fallen in 1998.

The report shows that Berkshire had a profit of \$399 million at the end of the year on its investment in zero-coupon Treasury securities, for which it paid less than \$4.6 billion. Such securities pay no current interest and are purchased at discounts to face value. As a result, their prices are much more volatile than those of ordinary bonds when interest rates move. The position has probably not made or lost much money so far this year, since rates on long-term zeroes are

close to where they were at the end of December.

Mr. Buffett said he did not believe the stock market was overvalued now, given the current level of interest rates and the "exceptionally high" profit margins being posted by American corporations. But, he added, "returns on equity are not a sure thing to remain at, or even near, their present levels."

In 1997, Berkshire sold \$2 billion worth of common stocks, while buying just \$714 million, the report showed. In the prior year, it sold \$1.5 billion of shares while buying \$1.4 billion.

The largest sale of stock last year was in Disney, where Berkshire reduced its holding to 3.2 percent by selling more than 3 million shares. The report did not disclose the price it got, but the company realized a large profit since its average cost for its Disney position was about \$23 a share, while the 1997 price range was \$66 to \$100.

Berkshire also sold more than 600,000 shares in Wells Fargo, cutting its stake in the banking company to 7.8 percent. Its

sales of Freddie Mac were smaller, with the sale of nearly 250,000 shares reducing Berkshire's stake to 8.6 percent. Although Berkshire is best known for its investments, it also owns a wide range of businesses, from See's Candies to The Buffalo News. Its largest operating units are in insurance, where it has done well selling "super catastrophe" reinsurance.

That insurance would cost it money if a major disaster, like an earthquake or hurricane, caused huge losses to an insurance company that had bought reinsurance from Berkshire.

The annual report said that Berkshire would write less of that insurance this year, in large part because the price of such insurance has fallen.

Mr. Buffett attributed that decline to the introduction of so-called catastrophe bonds, which pay relatively high rates of interest — unless there is a major disaster. Then they not only pay no interest, but the investor may lose the entire principal as well. Mr. Buffett warned that investors in such bonds were not being adequately compensated for the risk of a disaster.

LAWYERS: Profession Finds Brave New Caseload in Cyberspace

Continued from Page 11

of junk e-mail. Is such so-called spam mail a violation of privacy? Would attempts to block it violate the First Amendment?

• A mathematics professor is suing the U.S. government for denying his application to send an encryption program over the Internet. Should the government be able to block him on national security grounds, or would that violate his free-speech rights?

Cindy Cohn, the lawyer representing the math professor, said it was in part the lure of the unknown that made cyberspace law so appealing. "It's a chance to think about first-level questions," said Judge Stewart Dalzell of

the U.S. District Court for the Eastern District of Pennsylvania. Alluding to his role last year in overturning the Communications Decency Act, a landmark decision for cyberspace law that was later upheld by the Supreme Court.

As judges and lawyers search for metaphors, elite law schools are scurrying to

stake their claims as the center of legal theory that will make sense of it all — and to lure cutting-edge law professors and students eager to enter what looks to be a lucrative new field of practice. Even critics agree that the emergence of cyberspace is forcing the deepest and most critical consideration in years of law in general.

How will developing countries fare in a more liberalized telecom environment?

Don't miss the International Herald Tribune Sponsored Section on

TRADE IN TELECOMMUNICATIONS

On May 4, 1998

This section, a joint initiative of the International Herald Tribune and the International Telecommunication Union, will appear in the IHT's worldwide edition and benefit from special distribution. For a synopsis, advertising rates or distribution details, contact bmaider@iht.com or your local IHT representative.

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INTERNATIONAL BOND FUND MANAGEMENT COMPANY
Société Anonyme

Monday's 4 P.M.

12 Month	High	Low	Stock	Div	Yld	PE	52			Crown
							Weeks	High	Low	

DATE		TIME		LOCATION		REMARKS	
DAY	MONTH	HOUR	MINUTE	NAME	ADDRESS	PHONE	NOTES
1	1	10	15	John Doe	123 Main St	555-1234	Called to report lost wallet
2	1	11	30	Jane Smith	456 Elm St	555-5678	Reported stolen car keys
3	1	12	45	Bob Johnson	789 Oak St	555-9012	Called about missing dog
4	1	13	00	Alice Brown	101 Pine St	555-3456	Reported vandalism
5	1	14	15	Charlie White	202 Cedar St	555-7890	Called about lost keys
6	1	15	30	Diana Green	303 Birch St	555-2345	Reported stolen jewelry
7	1	16	45	Frank Black	404 Maple St	555-6789	Called about missing pet
8	1	17	00	Grace Hall	505 Walnut St	555-1011	Reported lost wallet
9	1	18	15	Henry King	606 Cherry St	555-5432	Called about stolen car
10	1	19	30	Ivy Lee	707 Peach St	555-9876	Reported vandalism
11	1	20	45	Jack Miller	808 Apple St	555-3210	Called about lost keys
12	1	21	00	Karen Wilson	909 Orange St	555-7654	Reported stolen jewelry
13	1	22	15	Leo Young	1010 Grape St	555-2109	Called about missing pet
14	1	23	30	Mia Adams	1111 Lemon St	555-6543	Reported lost wallet
15	1	24	45	Noah Baker	1212 Lime St	555-1987	Called about stolen car
16	1	25	00	Olivia Carter	1313 Lemon St	555-5678	Reported vandalism
17	1	26	15	Peter Davis	1414 Orange St	555-9012	Called about lost keys
18	1	27	30	Quinn Evans	1515 Grape St	555-3456	Reported stolen jewelry
19	1	28	45	Rachel Foster	1616 Peach St	555-7890	Called about missing pet
20	1	29	00	Samuel Green	1717 Apple St	555-2345	Reported lost wallet
21	1	30	15	Tina Hall	1818 Orange St	555-6789	Called about stolen car
22	1	31	30	Uma King	1919 Grape St	555-1011	Reported vandalism
23	1	32	45	Victor Lee	2020 Lemon St	555-5432	Called about lost keys
24	1	33	00	Wendy Miller	2121 Lime St	555-9876	Reported stolen jewelry
25	1	34	15	Xavier Wilson	2222 Lemon St	555-3210	Called about missing pet
26	1	35	30	Yara Adams	2323 Orange St	555-7654	Reported lost wallet
27	1	36	45	Zoe Baker	2424 Grape St	555-2109	Called about stolen car
28	1	37	00	Adam Carter	2525 Peach St	555-6543	Reported vandalism
29	1	38	15	Bella Davis	2626 Apple St	555-1987	Called about lost keys
30	1	39	30	Carl Evans	2727 Orange St	555-5678	Reported stolen jewelry
31	1	40	45	Dora Foster	2828 Grape St	555-9012	Called about missing pet
32	1	41	00	Ethan Green	2929 Lemon St	555-3456	Reported lost wallet
33	1	42	15	Fiona Hall	3030 Orange St	555-7890	Called about stolen car
34	1	43	30	Gavin King	3131 Grape St	555-2345	Reported vandalism
35	1	44	45	Helen Lee	3232 Lemon St	555-6789	Called about lost keys
36	1	45	00	Ian Miller	3333 Lime St	555-1011	Reported stolen jewelry
37	1	46	15	Julia Wilson	3434 Lemon St	555-5432	Called about missing pet
38	1	47	30	Kyle Adams	3535 Orange St	555-9876	Reported lost wallet
39	1	48	45	Liam Baker	3636 Grape St	555-3210	Called about stolen car
40	1	49	00	Mia Carter	3737 Peach St	555-7654	Reported vandalism
41	1	50	15	Noah Davis	3838 Apple St	555-2109	Called about lost keys
42	1	51	30	Olivia Evans	3939 Orange St	555-6543	Reported stolen jewelry
43	1	52	45	Peter Foster	4040 Grape St	555-1987	Called about missing pet
44	1	53	00	Quinn Green	4141 Lemon St	555-5678	Reported lost wallet
45	1	54	15	Rachel Hall	4242 Orange St	555-9012	Called about stolen car
46	1	55	30	Samuel King	4343 Grape St	555-3456	Reported vandalism
47	1	56	45	Tina Lee	4444 Lemon St	555-7890	Called about lost keys
48	1	57	00	Uma Miller	4545 Lime St	555-2345	Reported stolen jewelry
49	1	58	15	Victor Wilson	4		

[illegible][illegible][illegible]

Age	Height	Weight	Body Fat %	Lean Body Mass (kg)	Basal Metabolic Rate (kcal/day)	Resting Energy Expenditure (kcal/day)	Thermic Effect of Food (kcal/day)	Total Energy Expenditure (kcal/day)	Energy Balance (kcal/day)	Weight Change (kg/week)
20	170	65	15	55.25	1750	1750	350	2100	0	0.0
21	171	66	15	56.10	1760	1760	350	2110	0	0.0
22	172	67	15	56.95	1770	1770	350	2120	0	0.0
23	173	68	15	57.80	1780	1780	350	2130	0	0.0
24	174	69	15	58.65	1790	1790	350	2140	0	0.0
25	175	70	15	59.50	1800	1800	350	2150	0	0.0
26	176	71	15	60.35	1810	1810	350	2160	0	0.0
27	177	72	15	61.20	1820	1820	350	2170	0	0.0
28	178	73	15	62.05	1830	1830	350	2180	0	0.0
29	179	74	15	62.90	1840	1840	350	2190	0	0.0
30	180	75	15	63.75	1850	1850	350	2200	0	0.0
31	181	76	15	64.60	1860	1860	350	2210	0	0.0
32	182	77	15	65.45	1870	1870	350	2220	0	0.0
33	183	78	15	66.30	1880	1880	350	2230	0	0.0
34	184	79	15	67.15	1890	1890	350	2240	0	0.0
35	185	80	15	68.00	1900	1900	350	2250	0	0.0
36	186	81	15	68.85	1910	1910	350	2260	0	0.0
37	187	82	15	69.70	1920	1920	350	2270	0	0.0
38	188	83	15	70.55	1930	1930	350	2280	0	0.0
39	189	84	15	71.40	1940	1940	350	2290	0	0.0
40	190	85	15	72.25	1950	1950	350	2300	0	0.0
41	191	86	15	73.10	1960	1960	350	2310	0	0.0
42	192	87	15	73.95	1970	1970	350	2320	0	0.0
43	193	88	15	74.80	1980	1980	350	2330	0	0.0
44	194	89	15	75.65	1990	1990	350	2340	0	0.0
45	195	90	15	76.50	2000	2000	350	2350	0	0.0
46	196	91	15	77.35	2010	2010	350	2360	0	0.0
47	197	92	15	78.20	2020	2020	350	2370	0	0.0
48	198	93	15	79.05	2030	2030	350	2380	0	0.0
49	199	94	15	79.90	2040	2040	350	2390	0	0.0
50	200	95	15	80.75	2050	2050	350	2400	0	0.0
51	201	96	15	81.60	2060	2060	350	2410	0	0.0
52	202	97	15	82.45	2070	2070	350	2420	0	0.0
53	203	98	15	83.30	2080	2080	350	2430	0	0.0
54	204	99	15	84.15	2090	2090	350	2440	0	0.0
55	205	100	15	85.00	2100	2100	350	2450	0	0.0
56	206	101	15	85.85	2110	2110	350	2460	0	0.0
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58	208	103	15	87.55	2130	2130	350	2480	0	0.0
59	209	104	15	88.40	2140	2140	350	2490	0	0.0
60	210	105	15	89.25	2150	2150	350	2500	0	0.0
61	211	106	15	90.10	2160	2160	350	2510	0	0.0
62	212	107	15	90.95	2170	2170	350	2520	0	0.0
63	213	108	15	91.80	2180	2180	350	2530	0	0.0
64	214	109	15	92.65	2190	2190	350	2540	0	0.0
65	215	110	15	93.50	2200	2200	350	2550	0	0.0
66	216	111	15	94.35	2210	2210	350	2560	0	0.0
67	217	112	15	95.20	2220	2220	350	2570	0	0.0
68	218	113	15	96.05	2230	2230	350	2580	0	0.0
69	219	114	15	96.90	2240	2240	350	2590	0	0.0
70	220	115	15	97.75	2250	2250	350	2600	0	0.0
71	221	116	15	98.60	2260	2260	350	2610	0	0.0
72	222	117	15	99.45	2270	2270	350	2620	0	0.0
73	223	118	15	100.30	2280	2280	350	2630	0	0.0
74	224	119	15	101.15	2290	2290	350	2640	0	0.0
75	225	120	15	102.00	2300	2300	350	2650	0	0.0
76	226	121	15	102.85	2310	2310	350	2660	0	0.0
77	227	122	15	103.70	2320	2320	350	2670	0	0.0
78	228	123	15	104.55	2330	2330	350	2680	0	0.0
79	229	124	15	105.40	2340	2340	350	2690	0	0.0
80	230	125	15	106.25	2350	2350	350	2700	0	0.0
81	231	126	15	107.10	2360	2360	350	2710	0	0.0
82	232	127	15	107.95	2370	2370	350	2720	0	0.0
83	233	128	15	108.80	2380	2380	350	2730	0	0.0
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86	236	131	15	111.35	2410	2410	350	2760	0	0.0
87	237	132	15	112.20	2420	2420	350	2770	0	0.0
88	238	133	15	113.05	2430	2430	350	2780	0	0.0
89	239	134	15	113.90	2440	2440	350	2790	0	0.0
90	240	135	15	114.75	2450	2450	350	2800	0	0.0
91	241	136	15	115.60	2460	2460	350	2810	0	0.0
92	242	137	15	116.45	2470	2470	350	2820	0	0.0
93	243	138	15	117.30	2480	2480	350	2830	0	0.0
94	244	139	15	118.15	2490	2490	350	2840	0	0.0
95	245	140	15	119.00	2500	2500	350	2850	0	0.0
96	246	141	15	119.85	2510	2510	350	2860	0	0.0
97	247	142	15	120.70	2520	2520	350	2870	0	0.0
98	248	143	15	121.55	2530	2530	350	2880	0	0.0
99	249	144	15	122.40	2540	2540	350	2890	0	0.0
100	250	145	15	123.25	2550	2550	350	2900	0	0.0

1900	1901	1902	1903	1904	1905	1906	1907	1908	1909	1910	1911	1912	1913	1914	1915	1916	1917	1918	1919	1920	1921	1922	1923	1924	1925	1926	1927	1928	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938	1939	1940	1941	1942	1943	1944	1945	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060	2061	2062	2063	2064	2065	2066	2067	2068	2069	2070	2071	2072	2073	2074	2075	2076	2077	2078	2079	2080	2081	2082	2083	2084	2085	2086	2087	2088	2089	2090	2091	2092	2093	2094	2095	2096	2097	2098	2099	2100
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Monday's 4 P.M. Close

(Continued)

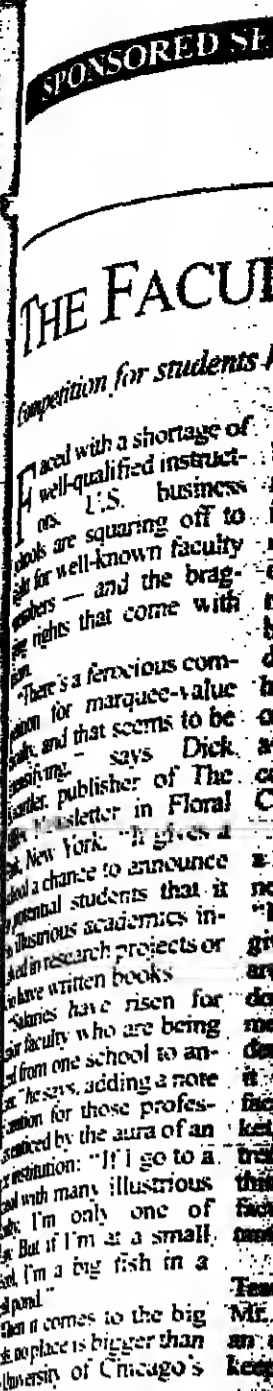
[illegible][illegible][illegible]

12 Month	High	Low	Stock	Div	Yld	PE	52	Week	Low	High	Ch
47	25	24	Shurt's	1.46	3.4	13	227	42	42	43	43
48	25	24	Shurt's	1.46	3.4	13	227	42	42	43	43
49	25	24	Shurt's	1.46	3.4	13	227	42	42	43	43
50	25	24	Shurt's	1.46	3.4	13	227	42	42	43	43
51	25	24	Shurt's	1.46	3.4	13	227	42	42	43	43
52	25	24	Shurt's	1.46	3.4	13	227	42	42	43	43
53	25	24	Shurt's	1.46	3.4	13	227	42	42	43	43
54	25	24	Shurt's	1.46	3.4	13	227	42	42	43	43
55	25	24	Shurt's	1.46	3.4	13	227	42	42	43	43
56	25	24	Shurt's	1.46	3.4	13	227	42	42	43	43
57	25	24	Shurt's	1.46	3.4	13	227	42	42	43	43
58	25	24	Shurt's	1.46	3.4	13	227	42	42	43	43
59	25	24	Shurt's	1.46	3.4	13	227	42	42	43	43
60	25	24	Shurt's	1.46	3.4	13	227	42	42	43	43
61	25	24	Shurt's	1.46	3.4	13	227	42	42	43	43
62	25	24	Shurt's	1.46	3.4	13	227	42	42	43	43
63	25	24	Shurt's	1.46	3.4	13	227	42	42	43	43
64	25	24	Shurt's	1.46	3.4	13	227	42	42	43	43
65	25	24	Shurt's	1.46	3.4	13	227	42	42	43	43
66	25	24	Shurt's	1.46	3.4	13	227	42	42	43	43
67	25	24	Shurt's	1.46	3.4	13	227	42	42	43	43
68	25	24	Shurt's	1.46	3.4	13	227	42	42	43	43
69	25	24	Shurt's	1.46	3.4	13	227	42	42	43	43
70	25	24	Shurt's	1.46	3.4	13	227	42	42	43	43
71	25	24	Shurt's	1.46	3.4	13	227	42	42	43	43
72	25	24	Shurt's	1.46	3.4	13	227	42	42	43	43
73	25	24	Shurt's	1.46	3.4	13	227	42	42	43	43
74	25	24	Shurt's	1.46	3.4	13	227	42	42	43	43
75	25	24	Shurt's	1.46	3.4	13	227	42	42	43	43
76	25	24	Shurt's	1.46	3.4	13	227	42	42	43	43
77	25	24	Shurt's	1.46	3.4	13	227	42	42	43	43
78	25	24	Shurt's	1.46	3.4	13	227	42	42	43	43
79	25	24	Shurt's	1.46	3.4	13	227	42	42	43	43
80	25	24	Shurt's	1.46	3.4	13	227	42	42	43	43
81	25	24	Shurt's	1.46	3.4	13	227	42	42	43	43
82	25	24	Shurt's	1.46	3.4	13	227	42	42	43	43
83	25	24	Shurt's	1.46	3.4	13	227	42	42	43	43
84	25	24	Shurt's	1.46	3.4	13	227	42	42	43	43
85	25	24	Shurt's	1.46	3.4	13	227	42	42	43	43
86	25	24	Shurt's	1.46	3.4	13	227	42	42	43	43
87	25	24	Shurt's	1.46	3.4	13	227	42	42	43	43
88	25	24	Shurt's	1.46	3.4	13	227	42	42	43	43
89	25	24	Shurt's	1.46	3.4	13	227	42	42	43	43
90	25	24	Shurt's	1.46	3.4	13	227	42	42	43	43
91	25	24	Shurt's	1.46	3.4	13	227	42	42	43	43
92	25	24	Shurt's	1.46	3.4	13	227	42	42	43	43
93	25	24	Shurt's	1.46	3.4	13	227	42	42	43	43
94	25	24	Shurt's	1.46	3.4	13	227	42	42	43	43
95	25	24	Shurt's	1.46	3.4	13	227	42	42	43	43
96	25	24	Shurt's	1.46	3.4	13	227	42	42	43	43
97	25	24	Shurt's	1.46	3.4	13	227	42	42	43	43
98	25	24	Shurt's	1.46	3.4	13	227	42	42	43	43
99	25	24	Shurt's	1.46	3.4	13	227	42	42	43	43
100	25	24	Shurt's	1.46	3.4	13	227	42	42	43	43

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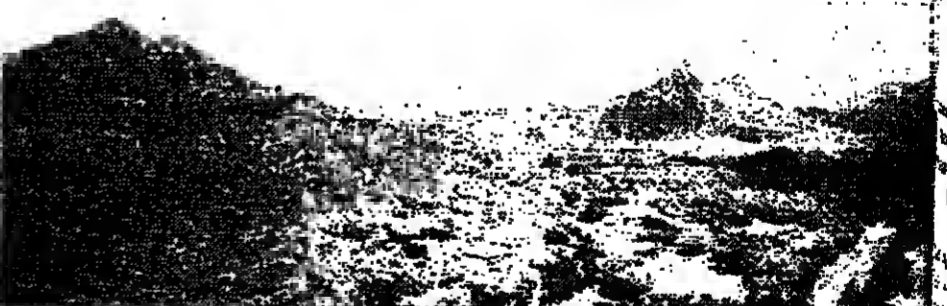
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EXCELLENCE A COMMITMENT

THE FACULTY DRAWING CARD

Education for students has given way to competition for professors.

With a shortage of well-qualified instructors, U.S. business schools are squaring off to fight for well-known faculty members — and the bragging rights that come with them.

There's a ferocious competition for marquee-value faculty, and that seems to be intensifying, says Dick Kwarder, publisher of The MBA Newsletter in Floral Park, New York. "It gives a school a chance to announce to potential students that it has illustrious academics involved in research projects or who have written books."

"Salaries have risen for senior faculty who are being lured from one school to another," he says, adding a note of caution for those professors enticed by the aura of an elite institution: "If I go to a school with many illustrious faculty, I'm only one of many. But if I'm at a small school, I'm a big fish in a small pond."

When it comes to the big ponds, no place is bigger than the University of Chicago's

School of Business, which boasts two Nobel Prize winners among its active teaching faculty. Both teach regular MBA courses besides continuing their economics research. Students attracted by the cachet of studying under a Nobel laureate, however, are no more theoretically inclined than the average MBA student, according to Allan Friedman, a Chicago spokesman.

"It's like a newspaper with a lot of Pulitzer prize winners," Mr. Friedman says. "It guarantees readership. It gives students the sense 'we are getting the best' in this domain." But it is an inducement for hiring qualified academics? "Here, it does make it very attractive for the market for top faculty is extremely competitive, so anything we can do to keep the faculty intact is very important."

Team-building
Mr. Friedman likens running an elite business school to keeping a top professional

basketball team together: "Other schools want to pick off [faculty] like free agents," he says. "But the faculty is not as likely to go just for the money. The professional environment is very important. It maximizes the long-term benefits of the school — for students and faculty."

Some may make the case that full-time academics, no matter what their credentials, pall in comparison to working professionals who teach part-time. Although this may appear to be making a virtue of necessity for business schools that must use non-academic faculty, others would argue that students can learn more from their practical experience than from a professor's theoretical research. Particularly in the disciplines of technology, systems thinking and problem solving and ethics, real-world managers may possess valuable hands-on lore.

Over time, some claim, many universities have placed more and more emphasis on research, reward-



ing it over teaching. A Colorado business school dean recently argued, "Any business school that truly expects to be relevant should have professors in the classroom who are accomplished both in the professional, practicing arena and in the teaching endeavor."

Many schools do just that. The University of California at Riverside, for example, offers environmental management, conflict resolution and other niche business programs. "We don't only use university professors," explains Sheila Dwight, director of international education programs at Riverside. "When we get teachers, we get people who are out in the field, who have experience, who are on the job. We don't limit it to academics." S.W.

THE REAL WORLD DRIVES CURRICULA

Around the country, corporate leaders are playing a growing role in shaping B-school programs.

When a group of prominent female executives wanted to see more case studies about women in the nation's business schools, they approached Harvard Business School with a proposal.

As Harvard came up with new study topics, the "Committee of 200" would suggest successful businesswomen to use as protagonists. Harvard, which was trying to attract more women to the business school, agreed, and a partnership was born.

Schools that once viewed such involvement with suspicion are now actively seeking out the views of corporate supporters. They are doing so for a variety of reasons.

Good for business

As public funding for business education erodes, schools are relying more on the corporate sector's generosity. Business leaders actively involved in a school as visiting faculty members, curriculum advisers or intern sponsors are likely to give it more money and hire more of its graduates.

At the same time, business

students are demanding more contact with the real world of business, and business schools are revamping their curricula to comply. It is hardly surprising that more corporate gifts are coming with strings attached.

"Whoever pays the piper calls the tune," says Charles W. Hickman, director of projects and services for the International Association for Management Education, the main accrediting body for U.S. business schools.

In exchange for financial support, a donor might request that the school devote more attention to a topic of concern to his or her industry. As long as the changes have academic merit, schools will often comply.

"Conventional academic values dictate that faculty must have control over the curriculum and degree requirements," says Mr. Hickman. "Most employers understand this, and aren't going to make unreasonable demands."

The booming high-tech industry in Austin, Texas, has played an active role in the information management

Program at the University of Texas Graduate School of Business. A national steering committee of 32 technology and consulting companies advises the program on everything from new courses to computer skills needed by graduates.

South Carolina State University's business school has been wooing the local agribusiness sector with invitations to give guest lectures, advise the school on courses and suggest research topics.

Business schools must be careful when creating a niche in a particular industry, experts say, not to focus too narrowly in case the industry takes a sudden nosedive.

Customized degree programs, which are designed to meet the needs of a single industry, are the exception.

Case study

The University of Tennessee College of Business became familiar with both the dangers and rewards of customized degree programs when it created one for Columbia/HCA Healthcare Corporation, the nation's largest hospital chain.

The new program was prompted by complaints from Columbia officials that Tennessee's Health-Care MBA program was not responsive enough to the needs of patients and physicians.

"Some people feared that we had turned health care into a three-piece-suit, wing-tip shoe kind of operation and that somehow the patient had gotten lost in the shuffle," says C. Warren Noel, dean of the business school. "We thought, let's come at this from the standpoint of the physician."

Just weeks before the customized program was to begin, in September 1997, Columbia HCA canceled the contract so it could concentrate on unrelated financial and legal problems. Fortunately, the school had elicited enough input from other health-care officials that it could quickly broaden the program's focus and offer it to the public.

Katherine Mangan

A KEY BUSINESS SKILL: GOOD WRITING

Crucial to business today is the ability to communicate clearly — and specialists can help.

Many American corporations and business schools — and some individual executives — are hiring freelance journalists and journalism professors to work as writing coaches. In this era of high technology and global telecommunications, the old-fashioned skill of writing well is becoming more and more important.

Increasingly, executives and managers are writing their own memos, letters, electronic-mail messages, presentations, speeches, brochures, newsletters and other corporate communications.

Whether writing an e-mail to a colleague, a proposal to a superior or an update for clients and customers, the business executives of the 21st century must be able to get their messages out quickly, clearly and concisely.

Diana Pearson, head of

public relations for Time magazine, wanted her younger staffers to think and write more like the journalists receiving their press releases. So she brought in an experienced journalist as a writing coach. "A good coach teaches how to simplify," she says, "how to boil down the ideas you are trying to communicate to one or two simple points."

Some writing coaches have set programs, such as the half-day seminars that have become a standard part of the training for many young lawyers. Coaches tailor their instruction to the needs of the company or client, devising drills that simulate writing assignments the clients will use in their work.

Pauline Bartel, who is based in upstate New York and has trademarked her service, "The Writing Coach,"

offers a variety of workplace seminars, including "Business Writing Basics for Busy Professionals" and "Grammar for Business Writers." Like most coaches, she also offers one-on-one tutoring.

Janis Simmons, the writing coach for the Executive MBA program at the University of Texas in Dallas, says much of her work is with foreign-born students. She tutors them in person, and reviews their papers via e-mail.

Says Pat McNees, a journalist and writing coach based in Washington, D.C.: "Professionals with a technical background tend to be surprised when you tell them, 'A report should not be boring, or people won't read it.' You have to convince them not only that technical jargon is not essential, but also that plain English is preferable — and not too much of it."

By the time they realize they need coaching, many clients want a quick fix. "Some of them have been managers moving up, only to find themselves in the difficult position of needing to write more reports, proposals, analysis pieces, etc.," says Bruce Miller, a technology writer and communications consultant in Seattle. "Lacking expository skills, they start to panic and look for help, not realizing that writing skills take time to develop."

Tim Harper

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SPORTS

Jazz Overpower Pistons In 10th Straight Victory

Malone and Hornacek Lead Utah's Scorers

The Associated Press
Karl Malone scored 28 points and Jeff Hornacek added 22 as the Utah Jazz won its 10th straight game.

"That's a hell of a basketball team," said Alvin Gentry, the Detroit Pistons' coach, after his team lost, 109-98, to the Jazz on Sunday.

The Jazz, who have won eight in a row on the road, took control with a 17-

NBA Roundup

A second-half spurt that put them ahead, 72-57. Malone scored eight points in the run.

"I really don't think we played badly. They just played better," said Grant Hill, who led Detroit with 29 points. "That was a tough game because any time you make a mistake, they make you pay."

Utah improved to 47-16, one game behind Seattle for the best record in the National Basketball Association. Last season, the Jazz finished with a franchise-best 64-18 mark and went on to reach the NBA finals, where they lost a six-game series to the Chicago Bulls.

Heat 79, Magic 76 In Orlando, Voshon Lenard hit a 3-pointer at the final buzzer, and Miami held the Magic without a field goal in the final 7:45.

The game ended in confusion when the officials appeared to wave off the winning basket. Then they huddled and concluded that Miami had inbounded the ball with 1.1 seconds left, and Lenard, who made a 26-foot (8-meter) shot, put the ball up before time expired.

Tim Hardaway led the Heat with 22 points, while Alonzo Mourning had 18 points and 10 rebounds. Nick Anderson led Orlando with 30 points.

Lakers 119, Grizzlies 110 In Vancouver, Robert Horry scored a season-high 23 points and grabbed 13 rebounds as Los Angeles won its sixth straight. Shaquille O'Neal scored 24 points and Rick Fox added 20 as the Lakers closed within three games of first-place Seattle in the Pacific Division.

Hawks 93, Celtics 77 Dikembe Mutombo had 21 points, 11 rebounds and six blocks as the Hawks beat visiting Boston. Alan Henderson and Tyrone Corbin each added 17 points.

Pacers 91, Knicks 86 Mark Jackson scored half of his season-high 28 points in the fourth quarter as Indiana won in New York. Rik Smits added 22 points and 11 rebounds as the Pacers won on the road for the 21st time this season. Allan Houston scored 31 points for the Knicks.

Suns 100, Mavericks 90 In Phoenix, Jason Kidd got his 18th career triple-double with 20 points, 13 rebounds and 12 assists as the Suns clinched a playoff berth. Antonio McDyess and Danny Manning each scored 17 points for Phoenix, which reached the playoffs for the 10th consecutive season.

Raptors 100, Warriors 98 In Oakland, Doug Christie scored 24 points as Toronto beat Golden State in overtime to snap a six-game losing streak. Toronto overcame an 11-point deficit in the final 3:42 of regulation time. Marcus Camby had 23 points and 16 rebounds for the Raptors.

Trail Blazers 103, Clippers 92 In Portland, Arvydas Sabonis had 28 points and 15 rebounds to lead the Trail Blazers. Isaiah Rider added 26 points for the Blazers, who have beaten the Clippers 12 straight times in Portland.

Scrappy Columbus Takes 2d Women's League Title

Compiled by Our Staff From Dispatches

COLUMBUS, Ohio — In a basketball game that at times bordered on savagery — with players getting elbowed, kicked and jumped upon — the American Basketball League's second championship turned on two plays of great strategy.

The Columbus Quest won, 86-81, Sunday, for their second consecutive title in the ABL, one of two fledgling U.S. women's basketball leagues.

The victory was not secured until the final minute, after the Long Beach StingRays had erased out a 73-64 deficit with 3:42 to go and cut it to 75-74 with 1:31 left.

The Quest then made the two plays that sealed the championship.

With 1:01 to go, Tonya Edwards drove through the Long Beach defense, made a graceful, soft-touch lay-up and was fouled by Clarissa Davis-Wright. Edwards made the free throw to make it 78-74.

With 50 seconds to go, Valerie Still scored high on the perimeter to grab a desperate 3-point shot by Niesha Johnson out of the air.

Still, who scored 25 points, was named the final's most valuable player for a second straight year.

Sporting a black eye from Game 2, Still talked again of retirement. A year ago she planned to quit, then signed a

two-year contract.

Late Sunday, Still said, "It's probably time for me to let it go."

Brian Aigler, the Columbus coach, said: "Don't take that down. Val and I haven't talked about this yet."

Still, 36, said: "For me at this moment, there's nothing more I can do on the court. It really is hard to get up for games."

Still has been playing professionally for 14 years, including 12 in Italy.

The StingRays lost despite a league playoff record of 36 points by Davis-Wright, who fouled out in the final second.

Andrea Nagy also fouled out for Long Beach, which committed 35 personal fouls, while Columbus was called for 22.

The teams combined to make 61 of 65 free throws, with Still going 10-for-11 and Smith 10-for-10 as Columbus was 38-for-43 from the line. Davis-Wright made all nine of her foul shots for the StingRays.

They made their free throws down the stretch, said Maura McHugh, the Long Beach coach. "Columbus was able to knock them down when they needed to."

Long Beach outscored Columbus from the floor, hitting 28 of 54 field-goal attempts for 51.9 percent. The Quest was 21-for-32 for 65.6 percent.



Marcelo Rios of Chile returning a shot to Greg Rusedski of Britain in the final at Indian Wells, California.

Rios Beats Rusedski in All-Lefty Final

By Robin Finn
New York Times Service

INDIAN WELLS, California — Marcelo Rios, the first Chilean to crash the Top 10, captured the Newsweek Champions Cup by defying and denying the big serve of Greg Rusedski.

Rios used passing shots delivered with a purity of purpose from both sides, lulling Rios that teased and toyed with Rusedski's frenetic rushes to net, and his own take on the unbreakable serve to control the match Sunday, 6-3, 6-7 (5-7), 7-6 (7-4), 6-4.

"After I broke him in the first game of the match, I think that was big, and I think I played pretty smart, holding my serve," said Rios, who held it from start to finish Sunday. The torturous second set was the only set he lost all week.

Both players were runners-up recently in the only Grand Slam finals of their careers. Rios at the 1998 Australian Open and Rusedski, a Briton, at the 1997 U.S. Open. Both were appearing in their third final in 1998, both are left-handed and both were chasing the No. 3 ranking.

The similarities ended there. In this war of contrasting styles and personalities in the event's first all-letty final since Jimmy Connors downed Roscoe Tanner in 1976, the grinning Rusedski

owned the net while the grim-faced Rios patrolled the baseline.

According to both players, the third set told the tale. Rios took a serve in the chest in the 12th game but coolly rebounded in the tie-breaker and went up 6-4 with a backhand pass that would have bisected Rusedski had it hit him. Once he gained his two-sets-to-one edge, Rios patiently awaited his chance in the fourth set, broke Rusedski for a 5-4 lead with a forehand pass and served out the match at love.

The little-man-beats-big-man coup, which took 2 hours 46 minutes and featured the year's longest tie-breaker, sent Rios to a career-best ranking of third in the world, a development that inspired him to declare himself a qualified candidate for Pete Sampras's No. 1 spot.

"I think it's a big step in my career; really, you can see that you can even be No. 1 if you play good," Rios said. "One year ago maybe I was No. 20, and now I'm three, and that gives you more energy, more confidence to keep on going."

"I think I'm growing in the game, being more smart, being more focused," Rios said.

The 6-foot 4-inch (1.93-meter) Rusedski stood nearly a foot taller than Rios and, having broken his own all-time speed serving record Saturday with

a 149 mile per hour (238 kilometer per hour) hullet, routinely served 40 miles per hour faster than the Chilean. But the seventh-seeded Rios ignored the sixth-seeded Rusedski's 21 aces, ignored the loss of five set points in the second set's exhaustive 35-point tie-breaker and plugged away from the backcourt.

The Rios of old might have sent up a white flag after toiling in vain in such a lengthy tie-breaker, but those days of giving up are over.

He attributes the improvements in his game and his attitude to his second go-round with his coach, Larry Stefanki.

Stefanki seems to have succeeded in his main mission: bringing tenacity to a player who already possessed talent.

"He teaches me how not to tank, to don't give up," said Rios, whose mood often seems to match his inky black ponytail but is, in Rusedski's opinion, possibly a marketing ploy to replace John McEnroe as the hardest-tempered boy in the business.

In the doubles final, the third-seeded team of the U.S. Open champion, Patrick Rafter, and Jonas Bjorkman of Sweden, who had not played together since 1994, claimed the title, 6-4, 7-6 (7-3), by defeating a duo who had never played together before, Todd Martin and Richey Reneberg.

Victory Propels Blackhawks Playoff Hopes

The Associated Press

The Chicago Blackhawks beat the Florida Panthers, 4-4, to move into undisputed possession of the eighth and final playoff spot in the Western Conference with 16 games to go.

The Blackhawks are 25-23-11 since an 0-7-0 start that matched the worst in their history.

Chicago's Eric Daze scored four goals, two of them in a six-goal first period, to lead the rout at the Miami Arena.

John Vanhoush, who has been removed to be on the trading block, gave up all six first-period goals. He was replaced by a rookie, Kevin Weekes, in the second period.

Sabres 3, Penguins 0 In Buffalo, Dominik Hasek stopped 22 shots for his 10th shutout.

Michael Peca had two goals and one assist for the Sabres. Tom Barrasso, the Penguins goaltender, also played well and the game was scoreless until Wayne Primeau's goal 6:48 into the third period.

The Penguins had no fewer than six good scoring opportunities foiled by

NHL Roundup

Hasek, who leads the NHL in shutouts.

Hurricanes 4, Oilers 1 Sami Kapen scored his second hat trick in as many games against Edmonton, helping Carolina end a seven-game losing streak at home.

Kapen, whose only other career hat trick came in the Hurricanes' Nov. 12 victory in Edmonton, improved his

team-leading goal count to 24. The Hurricanes won for the fifth time in seven games and halted the Oilers' best winning streak of the season at three.

Martin Gelinas added a goal for the Hurricanes, who went ahead by scoring 63 seconds apart into the second period. Carolina got its first victory at the Greensboro Coliseum since Jan. 5.

Mighty Ducks 5, Avalanche 3 Two rookies, Frank Banham and Matt Cullen, scored power-play goals and Tomas Sandstrom ended a 34-game scoring drought as Anaheim snapped a seven-game losing streak with a victory over visiting Colorado.

The Ducks had only one goal in 29 power plays over their previous six games and entered the game with the NHL's second-worst power play.

Luck Aids Barcelona's Quest for League Title

Compiled by Our Staff From Dispatches

Luis Figo scored after three minutes of injury time, giving Barcelona a 2-1 victory at Valladolid and tightening its grip on first place in the Spanish League.

Figo, the Barcelona captain, got his toe to the ball just as the referee was

Soccer Roundup

bringing his whistle to his lips to end the game Sunday night.

"Sure I was a little lucky, but sometimes you need a little luck. It's quite important in this game," Figo said.

Barcelona moved seven points ahead of Real Madrid, which has played one more game.

"We've got a great chance but there are still 10 games to go," said Luis van Gaal, the Barcelona coach.

"It's important that we control the euphoria. It's great to have confidence, but let's not confuse that with arrogance."

Not all Barcelona's players were smiling, though. Van Gaal sent in a substitute for Sonny Anderson for the third game in succession.

Anderson, the Brazilian international, striker said. "It was for the good of the team and that is all I am looking at."

Anderson was replaced by Dragan Ciric, a Yugoslav midfielder, after 55 minutes. The move changed the course of the game, and Barcelona's coach was almost certainly referring to Anderson when he said obliquely, "not all players reached their peak in this game."

UNITED STATES: Marcelo Balboa scored a spectacular diving goal that helped the United States to tie Paraguay, 2-2, on Sunday in San Diego.

The United States, which had not scored for three games, took a 2-1 lead five minutes into the second half on Balboa's brilliant effort.

Alexi Lalas looped a pass to Balboa, who slid head-first at the ball. His head, which was above the grass when he made contact, sending the ball past Paraguay's goalkeeper, Ruben Ruiz Diaz, and into the upper corner of the goal.

"It was just one of those things," said Balboa, who has 13 goals in 126 games with the national team.

Earlier, Chad Deering scored the first U.S. goal in four games, when he broke through in the 21st minute for a 1-1 tie.

D.C. United, the Major League Soccer champion in both the league's seasons, opened its third season with a 2-0 victory over the Miami Fusion despite playing most of the match with only 10 men.

United lost forward Jaime Moreno, the league's leading scorer last year, in the 28th minute after a retaliatory foul on the Fusion's Cle Koonman.

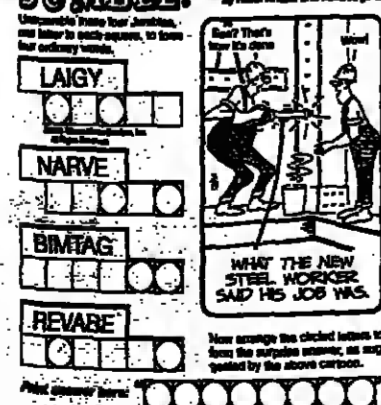
D.C. was leading, 1-0, at the time on a goal by midfielder Richie Williams from 15 yards away in the 15th minute. Tony Sanneh, who set up the first goal, scored the second in the 36th minute.

Even though the team's name is the Miami Fusion, the club calls Fort Lauderdale home because team officials could not negotiate a deal with Miami city officials to play in the Orange Bowl. Instead, the Fusion play at Lockhart Stadium, but team and league officials decided to keep the Miami name because of marketing commitments. (Reuters AP)

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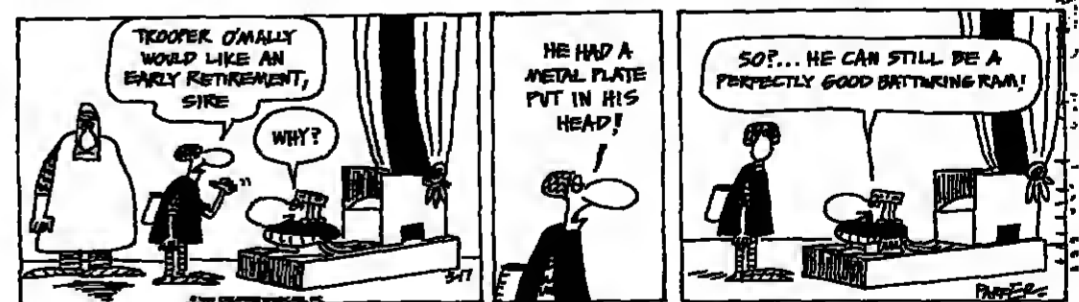
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